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BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION  
OFFICE OF ENERGY PROJECTS

- - - - -x  
SCOPING MEETING for the :  
DeSABLA-CENTERVILLE PROJECT : FERC No. 803-068  
- - - - -x

Masonic Hall  
York Rite Room  
1110 West East Avenue  
Chico, California 95928  
  
Wednesday, November 17, 2004

The above-entitled matter came on pursuant to notice  
at 1:15 p.m.

1 From FERC:

2 SUSAN B. O'BRIEN, Fisheries Biologist

3 Office of Energy Projects

4 ELIZABETH BLANG, Counsel

5 Office of General Counsel

6 EMILY CARTER

7 ANN-ARIEL VECCHIO

8 888 First Street, N.E.

9 Washington, D. C. 20426

10 (202) 502-8449 Susan.obrien@ferc.gov

11

12

13

14 ATTENDING:

15

16 Stephen Bowes, National Park Service

17 Harllee Branch, California Department of Fish and  
18 Game

19 Howard Brown, NOAA Fisheries

20 Kathy Brown, U.S. Fish and Wildlife Service

21 Jim Bundy, PG&E

22 Jim Canaday, State Water Resource Control Board

23 Kelly Catlett, Friends of the River

24 Ed Cheslak, PG&E

25 Danielle Cresswell, Haling & Associates

1 APPEARANCES CONTINUED:

2 Matthew Fransz, PG&E

3 Terri Frolli, USDA Forest Service

4 Michael Fry, PG&E

5 Rebekah Funes, Mechoopda Indian Tribe

6 Gene Geary, PG&E

7 Deb Giglio, U.S. Fish and Wildlife Service

8 Jane Goodwin, USDA Forest Service

9 Allen Harthorn, Friends of Butte Creek

10 Saul Henson, Environmental Advocates, Chico State  
11 University

12 Todd Johnson, PG&E

13 Will Johnson, Butte Creek Watershed Conservancy,  
14 Butte County

15 Resource Conservation District

16 Janet Loduca, PG&E

17 Cal Ling, Butte Creek citizen

18 James Lynch, Devine Tarbell & Associates

19 Alison Macdougall, PG&E

20 Tracy McReynolds, California Department of Fish  
21 and Game

22 John Mintz, PG&E

23 David Moller, PG&E

24 Carol Morales Burnham, PG&E

25 Steve Nevares, PG&E

1        ADDITIONAL APPEARANCES:

2                    Vicki Newlin, California Bay Delta Authority

3                    Laura Norlander, California Hydropower Reform  
4                    Coalition

5                    Craig Odegard, Lassen National Forest, USDA  
6                    Forest Service

7

8                    Lisa Randall, PG&E, Communications Department

9                    Ken Roby, Fishery Biologist, Almanor Ranger  
10                   District

11                   Walt Schafer, California State University Chico

12                   Dennis Smith, USDA Forest Service

13                   Scott Steinberg, PG&E Geosciences Department

14                   Cutis Steitz, PG&E

15                   Kathy Turner, Hat Creek Ranger District, USDA  
16                   Forest Service

17                   Paul Ward, California Department of Fish and Game

18                   Brian F. Waters, Devine Tarbell & Associates

19                   Harry Williamson, National Park Service

20                   Steve Yonge, PG&E

21                   Bill Zemke, PG&E

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1	INDEX	
2		
3		Page
4	Opening Comments:	5
5	Introductions:	8
6	Discussion of Agenda Items:	11
7	The Integrated Licensing Process:	16
8	PG&E's Presentations:	20
9	Water:	53
10	Fish and Aquatic:	61
11	Terrestrial:	72
12	Recreation:	79
13	Land Use:	87
14	Aesthetic:	90
15	Socioeconomic:	91
16	Cultural and Tribal:	92
17	General Comments:	93
18	More Discussion on the Agenda:	95
19	Adjournment:	99
20		
21		
22		
23		
24		
25		

P R O C E E D I N G S

(1:15 p.m.)

MS. O'BRIEN: Welcome to everyone at the conference here. A couple of housekeeping issues. We have registration forms on the back. And maybe if you could just sign in at break, put your name and address now and all that information. It's also the record of attendance for the meetings. So you can fill those out at break or after the meeting. That would be fine. You don't have to do it now.

The one thing I need to know is the way we're formatting this meeting today will depend on if you have presenters, if you want to present oral information as opposed to just discussion. So is there anybody here that wanted to make oral statements at this meeting? I want to make sure we plan for it. Great. So everyone's discussion oriented. That's wonderful.

We're going to try to keep this informal in discussion. I think that's the better way to do it. So I'm going to go ahead around back and return to my seat.

The bathrooms are out towards the front door on your -- the front doors are to the left. There's cookies and water thanks to PG&E. I think that's about it for the general -- if you notice the boards, those are all the issues. PG&E printed those up. So thank you very much.

We also have many handouts in the back. On this

1 back table here we have the ILP. Those are the regulations  
2 for the integrated licensing process, if you want to pick  
3 them up. Those are the white books. And the salmon-colored  
4 book -- how appropriate -- is the licensing handbook that  
5 FERC put together. It explains all three processes,  
6 including the integrated licensing process.

7 We're not going to spend a lot of time explaining  
8 the ILP today, so if you have questions, if you grab me at  
9 break or after the meeting, I'll describe more details about  
10 the new regulations. We provided training back in April on  
11 that and, like I said, just feel free to grab me during the  
12 break or after the meeting.

13 The handouts in the back, hopefully everyone's  
14 grabbed it. If not, go ahead and grab it at break.

15 So we are here for the scoping meetings on the  
16 DeSabla-Centerville Project. I think the first thing we  
17 should do is all introduce ourselves, if we want to. And  
18 there's name tags as well, so if you didn't get one.

19 My name is Susan O'Brien. I'm with the Federal  
20 Energy Regulatory Commission. And I'm the Project  
21 Coordinator for this relicensing effort. And how about we  
22 just all go around.

23 One thing we need to remember is please try to  
24 use the mics. When we're doing the back row, there are a  
25 couple of portable mics. You can pass that around. This is

1       being recorded and the whole meeting will be put in the  
2       public record.

3               MS. VECCHIO: My name is Ann-Ariel Vecchio. I'm  
4       also with FERC. And I'll be doing the terrestrial resources  
5       section of the relicensing process.

6               MS. BLANG: I'm Elizabeth Blang, and I'm also with  
7       FERC and I'm the -- I'm the Attorney. The Attorney.

8               MS. CARTER: I'm Emily Carter with FERC. I'll be  
9       doing the cultural resource section as well as recreation,  
10      land use, and aesthetics.

11              MR. BOWES: I'm Stephen Bowes. I'm with the  
12      National Park Service.

13              MR. WILLIAMSON: Harry Williamson, National Park  
14      Service, Oakland.

15              MR. CANADAY: Jim Canaday, State Water Resources  
16      Control Board.

17              MS. FROLLI: Terri Frolli, the Acting District  
18      Ranger on the Almanor Ranger District of the Lassen National  
19      Forest.

20              MR. ROBY: Ken Roby, Fishery Biologist, Almanor  
21      Ranger District.

22              MS. GOODWIN: Jane Goodwin, Resource Officer,  
23      Almanor Ranger District.

24              MR. ODEGARD: Craig Odegard, Botanist on the  
25      Lassen National Forest.



1 MS. TURNER: I'm Kathy Turner, and I'm the Forest  
2 Service Team Leader for the DeSabra relicensing.

3 MS. FUNES: Rebekah Funes, the Environmental  
4 Director for the Mechoopda Indian Tribe.

5 MR. HENSON: My name is Saul Henson (phonetic) --

6 MS. O'BRIEN: Could we hand a -- there's a  
7 portable mic. That would be great. If you can just pass  
8 that down. You can leave it on the stand even.

9 MR. HENSON: My name is Saul Henson, and I'm with  
10 the Environmental Advocates at Chico State.

11 MR. CHESLAK: Ed Cheslak with PG&E.

12 MR. YONGE: Steve Yonge, Wildlife Biologist,  
13 PG&E.

14 MR. ZEMKE: Bill Zemke. I'm a License  
15 Coordinator for PG&E.

16 MR. GEARY: Gene Geary. I'm a Fishery Biologist  
17 with PG&E.

18 MR. BUNDY: Jim Bundy, Generation Supervisor at  
19 Camp One for PG&E.

20 MR. WILL JOHNSON: Will Johnson, Watershed  
21 Coordinator, Butte Creek Watershed Conservancy and the Butte  
22 County Resource Conservation District Associate Director.

23 MS. McREYNOLDS: Tracy McReynolds, Department of  
24 Fish and Game.

25 MR. FRANZ: Matt Franz, PG&E, Aquatic

1 Biologist.

2 MR. MINTZ: John Mintz, recreation and land use,  
3 with PG&E.

4 MS. MORALES BURNHAM: Carol Morales Burnham. I'm  
5 recreation, land use, aesthetics for PG&E.

6 MR. STEITZ: Curtis Steitz, Aquatic Biologist  
7 with PG&E.

8 MR. HARTHORN: Allen Harthorn, Friends of Butte  
9 Creek, and fishing guide on Butte Creek.

10 MS. LING: Cal Ling, Butte Creek citizen.

11 MS. CATLETT: Kelly Catlett, Friends of the  
12 River.

13 MS. NORLANDER: I'm Laura Norlander with the  
14 California Hydropower Reform Coalition.

15 MS. MacDOUGALL: I'm Alison MacDougall, cultural  
16 resources for PG&E.

17 MR. STEINBERG: Scott Steinberg, PG&E Geosciences  
18 Department.

19 MR. WATERS: Brian Waters, Devine Tarbell and  
20 Associates. We're assisting PG&E with the relicensing of  
21 the DeSabra-Centerville Project.

22 MR. FRY: Mike Fry. I'm Senior Terrestrial  
23 Biologist with PG&E, handling wildlife and botanical.

24 MR. MOLLER: David Moller. I manage PG&E's  
25 Relicensing Program.

1 MR. SMITH: Dennis Smith, USDA Forest Service.

2 And I'll be the Regional Forest Service Representative for  
3 this. I know I sit right next to the big cheese here.

4 (Laughter.)

5 MS. RANDALL: Lisa Randall (phonetic), PG&E  
6 Communications Department.

7 MS. NEWLIN: Vicki Newlin, California Bay Delta  
8 Authority.

9 MR. BRANCH: Harllee Branch, attorney for  
10 California Department of Fish and Game.

11 MR. WARD: I'm Paul Ward, Fish Biologist with Cal  
12 Fish and Game and currently the Fish and Game Lead for this  
13 project pending appointment of a new FERC coordinator, we  
14 hope, sometime shortly.

15 MR. NEVARES: Steve Nevares, PG&E,  
16 Hydrogeneration Department.

17 MS. LODUCA: Janet Loduca with PG&E's Law  
18 Department.

19 MS. GIGLIO: Debbie Giglio, U.S. Fish and  
20 Wildlife Service.

21 MS. BROWN: Kathy Brown, Fish and Wildlife  
22 Service.

23 MR. TODD JOHNSON: I'm Todd Johnson. I'm PG&E's  
24 Project Manager for DeSabla-Centerville.

25 MR. LYNCH: I'm Jim Lynch with Devine Tarbell and

1 Associates assisting PG&E in the relicensing.

2 MR. BROWN: I'm Howard Brown, Biologist the  
3 National Marine Fishery Service.

4 MS. CRESSWELL: I'm Danielle Cresswell,  
5 Environmental Scientist with Haling Associates and also a  
6 graduate student at Chico State in the Department of  
7 Geological and Environmental Sciences.

8 THE REPORTER: Susan Palmer, court reporter.

9 MS. O'BRIEN: Thank you, everyone.

10 So hopefully everyone has picked up a copy of the  
11 agenda on the back table. I apologize for my voice, but  
12 this morning I didn't have any. So we're doing okay.

13 I've got one slide on the ILP, so that will go  
14 quick. I'll just talk briefly on the milestones. And one  
15 note about the milestones in the project schedule is that  
16 tomorrow we're going to really concentrate on that and  
17 incorporating all the Agency's needs into the relicensing  
18 schedule prefiling and postfiling of the application. So  
19 we're just going to touch base on that today.

20 And then I'd like to go over the seven criteria  
21 for the study requests. And then we're going to turn it  
22 over to PG&E to give a presentation regarding the issues and  
23 how they got there. Is that a good way of saying it?

24 MR. TODD JOHNSON: That works. That works.

25 MS. O'BRIEN: Good. Then we're just going to get

1       into a discussion on resources. And I'll just sort of go  
2       through all the resource issues and if people have anything  
3       to add, comments, questions, additional issues.

4               We also are going to keep a list of -- we'll call  
5       it -- the "parking lot" -- and if there's something we need  
6       to come back to later or something more for a meeting in the  
7       future on study resolution, something like that, we'll have  
8       a list started.

9               So I guess we also need to clarify right upfront:  
10       The comment period ends February 1st. Your comments can be  
11       e-filed on the FERC website or filed regular mail to the  
12       Secretary. An important thing to remember is put the  
13       project number on the first page of your filing.

14               And this is the comment period for -- the due  
15       date is for the comments on the scoping, comments on the  
16       PAD, and comments and study requests.

17               We actually have not issued our Notice  
18       Commencement of Proceeding yet, and that's because back in  
19       August when we had that meeting to go over the schedule we  
20       sort of looked at the timeline and decided that we wanted to  
21       have these scoping meetings now, due to the holidays. but if  
22       we issued our Commencement of Proceeding Notice any time  
23       earlier, then comments and study requests would be due  
24       earlier.

25               So we're actually going to issue our Notice

1 Commencement of Proceeding, just like an ILP schedule, 60  
2 days after the PAD was filed. So that will be approximately  
3 December 3rd. And that will make the comment period go the  
4 full 120 days from when the PAD was filed. So it gives  
5 everybody four months to review the PAD and come up with  
6 their comments and study requests.

7 So, briefly, you know, to go over the ILP  
8 process, this first year is intense. The NOI and the PAD  
9 was filed. We hope everyone can spend a lot of time going  
10 through the PAD. And right now we're at the second box on  
11 this flowchart, going through the scoping and trying to  
12 finalize the process schedule, the process plan and  
13 schedule. And then we'll be working on developing the study  
14 plan. So that first year is real intense.

15 Then the applicant will go off and do all the  
16 study plans. And we'll just meet occasionally to sort of  
17 review everything that's going on. Then the application  
18 will be filed in October of 2007. And then after that we  
19 hope to have an order within a year and a half after the  
20 application is filed.

21 So on October 4th the NOI/PAD was filed.  
22 Something I don't have in there is that the Notice  
23 Commencement of Proceeding will come out in the beginning of  
24 December.

25 The next bullet, the comments on the PAD and the

1       scoping and the study requests are all due February 1st.  
2       PG&E will file their proposed study plan in mid-March. Then  
3       from mid-March to mid-June, that's going to be the time to  
4       work out any study plan differences. The informal  
5       resolution period will be between mid-March and mid-June.  
6       Then people will file, anyone interested, resource agencies,  
7       nongovernmental organizations, interested individuals will  
8       all file their comments on the proposed study plan in  
9       mid-June.

10               The applicant PG&E will then be able to file  
11       their revised study plan a month later, in July. Because of  
12       the timing of all this, it's sort of weird. I know PG&E  
13       hopes to start some of their studies this coming summer, the  
14       2005 season, but they may miss out on part of that first  
15       study season. So, for some studies, the first season will  
16       be next summer. But for some studies it may not start till,  
17       you know, the spring or summer of 2006.

18               The second study season for some projects may go  
19       into 2007. And I know we've discussed this back in August,  
20       but there may not be resolution. Some studies may not be  
21       completed by the time the license application needs to be  
22       filed.

23               The application needs to be filed on October  
24       2007. That date cannot change. But if some studies are not  
25       finished, we'll just hold off on issuing our Acceptance

1 Notice and Ready for Environmental Analysis on FERC's end  
2 until we have that, all the study results in.

3 And part of the purpose of the process plan is  
4 that we'll have that all worked out and everyone will have  
5 an understanding of when the results of that second study  
6 season, when those results are coming in.

7 Then they'll file their preliminary licensing  
8 proposal in May of 2007. Again, that may be even before  
9 some of the second year of some studies. And the final  
10 application has to be filed in October.

11 Okay. Now I wanted to just go over Section 5.9  
12 of the regulation. You all got a handout, just a one-pager.  
13 There are seven criteria that are required for study  
14 requests. It's a good remainder that the integrated  
15 licensing process regulations were developed with all  
16 agencies and interested nongovernmental organizations. So  
17 these regs were -- so these seven criteria, you know, came  
18 from that group setting.

19 And it's real important that all seven criteria  
20 are touched upon. We even suggest that you, number one, and  
21 you address them individually.

22 So 5.9(b), Content of the study request. I'd  
23 like to read through it. And if people have comments or  
24 questions on it. So you need to describe the goals and  
25 objectives of your study proposal and the information to be



1       obtained.

2                   Number (2), "explain the relevant resource  
3       management goals of the agency or Indian tribe with  
4       jurisdiction over the resource to be studied," if that's  
5       applicable.

6                   Number (3), "If the requester is not a resource  
7       agency, explain any relevant public interest considerations  
8       in regard to the proposed study."

9                   Number (4), "Describe existing information  
10      concerning the subject of the study proposal and the need  
11      for additional information."

12                  Number (5), "Explain any nexus between project  
13      operations and effects (direct effects, indirect, and/or  
14      cumulative effects) on the resource to be studied, and how  
15      the study results would inform the development of license  
16      requirements."

17                  Number (6), "Explain how any proposed study  
18      methodology (including any preferred data collection and  
19      analysis techniques, or objectively quantified information,  
20      and a schedule including appropriate field season[s] and the  
21      duration) is consistent with generally accepted practice in  
22      the scientific community or, as appropriate, considers  
23      relevant tribal values and knowledge."

24                  And number (7), "Describe considerations of level  
25      of effort and cost, as applicable, and why any proposed

1 alternative studies would not be sufficient to meet the  
2 stated information needs."

3 One comment on number (7), the last one,  
4 regarding the level of effort and cost, it's really  
5 professional judgment and consultant estimates, possibly.  
6 For costs we're not looking for an exact dollar figure  
7 maybe, but a ballpark or magnitude of the amount of money.  
8 We'd like your input on the level of effort and costs,  
9 though.

10 And, in general, for all seven it's important to  
11 be as detailed and specific as you possibly can.

12 Does anybody have any comments or questions  
13 regarding the study request? Because this is really  
14 important. We want to get across to everybody that when you  
15 file your study requests that you want to hit all seven, and  
16 that study requests are developed with these seven criteria  
17 in mind.

18 Jim. Can you remember to speak your name?

19 MR. CANADAY: Okay. Jim Canaday, State Water  
20 Board.

21 Can they be filed jointly with several agencies  
22 when the study requests represent the interests of several  
23 agencies?

24 MS. O'BRIEN: Sure. There's no reason why they  
25 couldn't be filed together.

1                   MR. CANADAY: And, oh, thank you, by the way, and  
2 Merry Christmas to you for not having us have to comment on  
3 this during Christmas.

4                   (Laughter.)

5                   MS. O'BRIEN: Got this started on the right foot.

6                   MR. CANADAY: Yes.

7                   MS. O'BRIEN: Yes. Could we hand a microphone  
8 back to you? Great.

9                   MR. MINTZ: This is John. What happens when you  
10 get a study request that has like four of the seven or five  
11 of the seven items?

12                   MS. O'BRIEN: The question is if not all the  
13 study criteria are addressed. How FERC has handled that to  
14 date is that it's been resolved at the study -- the informal  
15 resolution meeting, study request -- study development  
16 meetings.

17                   And FERC staff has just strongly encouraged that  
18 they supplement the information and address all seven,  
19 because if there is any -- if it's not resolved, if there's  
20 still some things not resolved and the decision to conduct  
21 the study is left to the Commission, it's going to be  
22 weighed. And we need all the information.

23                   Any more questions or comments?

24                   Great. How about we turn it over to PG&E then?

25                   MR. TODD JOHNSON: Okay. Todd Johnson, PG&E.

1       We've got two presentations for this afternoon and also for  
2       this evening's scoping meeting. The first has to do with an  
3       overview of the project operation, looking at the project  
4       facilities and then also looking at the operations of the  
5       project.

6               Probably many of you have seen something similar  
7       to this, mainly because we've had so many ILP meetings, plus  
8       the science workshop. A lot of you were also present at the  
9       project site visit.

10              The second presentation has to do with the  
11       thought process that we went through in developing the  
12       impacts, issues, the studies, identifying studies that are  
13       needed for the project.

14              MR. MOLLER: Maybe you can move the mic a little  
15       closer.

16              MS. O'BRIEN: They're not amplified. It just  
17       goes into the system.

18              MR. TODD JOHNSON: So the second presentation has  
19       to do with developing, looking at the thought process that  
20       PG&E used in developing the studies, the issues, the  
21       impacts, and also identifying PM&E measures, existing PM&E  
22       measures. It should take about 20 to 30 minutes.

23              I just want to remind everyone that in the back  
24       the sea of whiteboards that we've got has a lot to do with  
25       the issues and the impacts that were laid out in the

1       Preapplication Document, Section 6.

2               We also have not only the summaries but a  
3       discussion of each one of those issues and impacts on the  
4       back table. If you get a chance, make sure that you take a  
5       look at those.

6               There are a couple other handouts that will be  
7       pertinent to tomorrow. That has to do with the draft  
8       process and plan. There are a couple of additions to the  
9       process and plan schedule, focusing primarily on the study  
10      development process.

11              It would be -- I'd recommend that everyone take a  
12      look at it prior to tomorrow's session, because there is  
13      some effort that we are trying to go through to get some of  
14      the plans that need to start as early as possible and get  
15      those resolved early in the study-development process. So  
16      please take a look at that.

17              Let's see. That's all I have.

18              MR. ZEMKE: For those of you who have -- I think  
19      most of you have probably seen a presentation of the  
20      project, so we'll run through this very quick just in case  
21      there are a couple out there that aren't quite familiar with  
22      the project.

23              This is a quick rundown of the statistics on the  
24      project. The project has two reservoirs that store water  
25      for a total of about 6200 acre feet of water. They're

1 located on the west branch of the Feather River. One is  
2 Philbrook, which is the larger, and Round Valley is the  
3 smaller.

4 This project includes three primary divergent  
5 dams that divert water into canal structures. The Hendricks  
6 Head Dam is located on the west branch of the Feather River.  
7 It diverts water into the Hendricks Canal.

8 The Butte Creek Diversion Dam was the first  
9 diversion dam upstream on the Butte Creek system. It  
10 diverts water into the Butte Creek Canal. That water then  
11 flows down eventually to the DeSabra Forebay, to the DeSabra  
12 Powerhouse.

13 The third primary diversion dam is the Lower  
14 Centerville Diversion Dam which takes water out of Butte  
15 Creek just below the DeSabra Powerhouse and diverts it into  
16 the Lower Centerville Canal.

17 The Project has a great number of canals and  
18 flumes. It has a total of about 30 miles. I think the  
19 total is roughly -- Jim should correct me if I'm wrong here  
20 -- about 30 miles of canals and flumes and tunnels that  
21 carry water around the system.

22 This is not counting the Upper Centerville Canal,  
23 which takes off at the DeSabra Forebay. This canal was put  
24 in as an alternate way to get water down to the Centerville  
25 Canal at the DeSabra Powerhouse which is out of service.

1 And this canal has not been used operationally for probably  
2 -- what's the number?

3 MR. BUNDY: Three or four years.

4 MR. ZEMKE: Three or four years. It does carry a  
5 small amount of water for some local -- three or four CFSS  
6 for some local customers downstream.

7 There are also several small diversion dams that  
8 appears to pick up water from small creeks that cross the  
9 canals and flumes. And there's about five or six of those  
10 that still in operation.

11 And there are three powerhouses on the project  
12 for a total operating capacity of 25.8 megawatts, starting  
13 from the oldest one first, which is Centerville which is the  
14 oldest powerhouse built around 1900. It was placed in  
15 service in 1900.

16 But the DeSabra Powerhouse was originally placed  
17 in service in 1903. That powerhouse was taken down and  
18 rebuilt in 1962. And the Toadtown Powerhouse, which is  
19 fairly new, is a small powerhouse that uses a drop on the  
20 Hendricks Canal, between the Hendricks and the Toadtown  
21 Canal built, completed in 1986.

22 MR. GEARY: Try pointing it at the screen, Bill.

23 MR. ZEMKE: Oh, the screen.

24 MR. GEARY: No.

25 MR. ZEMKE: Okay. A little bit about the Project

1 operation.

2 The Project operates as a run-of-the-river plan.  
3 That means it just operates on the base lowflow. It's not  
4 used for peaking. It operates on the amount of water based  
5 on the amount of water that we have available for diversion,  
6 considering minimum instream flow requirements. There are  
7 also considerations for safe operation.

8 For example, in the wintertime there may be lots  
9 of water available, but we might have a heavy storm coming  
10 in and for safety considerations we want to minimize the  
11 possibility of an overflow of the canal, so we may reduce  
12 operation of those particular flows.

13 The powerhouses operate unattended. They are  
14 monitored remotely and there are monitoring screens at the  
15 Camp One where Jim Bundy operates those both during the work  
16 day. And it's also operated on longterm remotely at the  
17 Rock Creek Switching Center on the North Fork of the Feather  
18 River. That's monitored 24 hours a day, seven days a week.

19 So if we do have a problem with a canal, we have  
20 monitors that monitor the water level of the canals. If we  
21 sense a problem, the operators at the Rock Creek Switching  
22 Center can dispatch an operator to check out the problem in  
23 person.

24 We have an annual operations and maintenance plan  
25 for the last four or five years. Through the issues of the



1 salmon on the Butte Creek, we met with NOAA Fisheries,  
2 California Department of Fish and Game, and the Fish and  
3 Wildlife Service each year to review operation, how do we  
4 want to operate for the coming year, what kind of water you  
5 can have, what kind of distribution can we think about. We  
6 have set up an operating plan for the operation of the  
7 Project during the summer.

8 The stored water in the Project is released  
9 basically from June through September. This augments flow  
10 in the west branch of the Feather River, since that's where  
11 all of our storage reservoirs are located, which allows us  
12 to increase the amount of water we divert into Butte Creek.

13 Typically the way that we operate, we operate  
14 Round Valley Reservoir, also called Stag Lake. First, to  
15 drain that reservoir. When that reservoir is done, which  
16 usually is about the middle of July, it will be switched to  
17 the operation that releases from the Philbrook Reservoir.  
18 And that is basically run from mid-July into September,  
19 depending on how much water we have available for diversion.

20 The maintenance houses are typically conducted in  
21 the seasons that are not sensitive to salmon species.

22 Jim, are you doing most of your maintenance in  
23 February and March, that timeframe?

24 MR. BUNDY: Yes. That would be February and  
25 March and April.

1                   MR. ZEMKE: February and April and March, which  
2 isn't -- that's not the ideal time. We really bounced  
3 around a bit trying to find the best time for those  
4 maintenance houses in.

5                   That's a thumbnail sketch on operation. Are  
6 there any questions?

7                   Very good.

8                   MR. TODD JOHNSON: David is going to be  
9 presenting the other.

10                  MR. MOLLER: Do you have a couple of maps?

11                  MR. ZEMKE: Oh, I was going to show a map, too.  
12 You've seen this. This just shows the system. The two  
13 storage reservoirs, the Round Valley Reservoir on the west  
14 branch of the Feather River, the Philbrook Reservoir which  
15 is on Philbrook Creek.

16                  Water flows through the west branch of the  
17 Feather River to the Hendricks Head Dam -- yeah, the  
18 Hendricks Head Dam or the Hendricks Canal; it goes through  
19 the Toadtown Powerhouse into the Toadtown Canal. The  
20 Toadtown Canal joins the Butte Creek Canal here, which  
21 diverts water from the Butte Head Dam to the Butte Creek  
22 Canal, the DeSabra Forebay, which is the forebay for the  
23 operation of DeSabra Powerhouse.

24                  Once water is run through the DeSabra Powerhouse  
25 it reenters Butte Creek for a short stretch. Less than a

1       quarter mile downstream is the Lower Centerville Diversion  
2       Dam that diverts water into the Lower Centerville Canal.  
3       Then carries it down and runs it through the Centerville  
4       Powerhouse where it then again joins Butte Creek. There is  
5       also on the Upper Centerville Canal, which is here, which is  
6       no longer used for operational purposes.

7               All this is just a schematic, too. I think many  
8       of you have seen this. It just is a little more simplified  
9       way that shows the movement of water from the west branch of  
10      the Feather River. On the right-hand side is the Butte  
11      Creek system. And we'll get into that.

12             You might also want -- will you step back? On  
13      the lower end -- do you see on the lower end of the west  
14      branch of the Feather River, there's also another system, a  
15      small PG&E system here, a little canal system that runs  
16      through -- what we call the Miocene Project, which runs  
17      through the Miocene Powerhouse and the Poe Canyon  
18      Powerhouse. These are all very small powerhouses. This  
19      system provides water ultimately to the City of Oroville for  
20      their water services. This is not part of the  
21      DeSabra-Centerville Project, but it is lower down on the  
22      west branch of the Feather River.

23             MR. MOLLER: And yet another one.

24             MR. ZEMKE: Now the system -- here's another  
25      depiction of the one that you saw earlier. Okay.

1 MR. MOLLER: Bill, I'm ready.

2 Well, I'm glad you got all the technical bugs  
3 worked out before I came up here. Incidentally, those three  
4 maps -- anyway, those three maps are in your preapplication  
5 document. You've got those if you want to go through them.

6 MS. O'BRIEN: David, do you have also have extra  
7 copies of the PAD on CD, if that's --

8 MR. TODD JOHNSON: Yeah. I've got about 15  
9 copies of the PAD on CD.

10 MS. O'BRIEN: Okay.

11 MR. TODD JOHNSON: And about four hard copies of  
12 the preapplication document as well.

13 MS. O'BRIEN: Okay. So if people need copies of  
14 the PAD, they can come to you?

15 MR. TODD JOHNSON: Yeah.

16 MS. O'BRIEN: Thanks.

17 MR. MOLLER: Okay. Well, I am going to try and  
18 paint the big picture here, kind of create a vision of  
19 what's going on, what we're doing here, how this works.  
20 I'll paint the big picture so everybody can see how the  
21 pieces fit together. And I am going to particularly focus  
22 on this matter of kind of going through impacts, issues,  
23 studies, measures.

24 PG&E holds 26 FERC licenses; 18 of them have  
25 completed relicensing. The company has eight ongoing

1        relicensings right now. Some of them are in their second  
2        time around. So we have some experience with this. And  
3        then plus on this proceeding the company and all of you are  
4        among the elite "ILP pioneers," some of the first users of  
5        FERC's new integrated licensing process.

6                    And we've given quite a bit of thought as to how  
7        to bring that relicensing experience, and many of you have a  
8        lot of relicensing experience, how to bring that to bear in  
9        the context of this ILP proceeding so that we can really  
10       make the ILP work.

11                   Okay, next slide. Okay. We could probably spend  
12       all day on this one slide. But for those of you may not be  
13       grizzled veterans of relicensing, what the heck is going on  
14       here. I put this slide a week ago -- or a year ago August  
15       at the very first one of these outreach meetings we did for  
16       this group or some of the members of this group.

17                   Licensing is really about balancing the  
18       beneficial use of the effective resources in the context of  
19       current social priorities. At its heart, and every agency  
20       here might tweak it a little bit differently, but at its  
21       heart that's really what it's all about: Is to look at the  
22       resources, balancing the beneficial uses of those resources  
23       in the context of the current social parameters. And I  
24       wanted to get that up there for just anyone who is here for  
25       the first time, just to get you grounded.

1                   Okay. So ILP. Those of you who attended ILP  
2 workshops, we had some ILP outreach here, Susan made  
3 reference to that, the ILP is different. So those of you  
4 who are the grizzled veterans of relicensing, and there are  
5 many of you in here, you've got to approach this one  
6 differently. It is a different animal.

7                   Okay. So I want to point out some of the  
8 differences that are important in the context of today's  
9 meeting. There is this preapplication document. Normally a  
10 relicensing proceeding starts with a blank piece of paper.  
11 This is not a blank piece of paper. This is a tremendous  
12 amount, a compilation of information that enables every  
13 person involved in this to be preinformed of a huge amount  
14 of information about this project, this proceeding, the  
15 issues at hand. And many of you helped create this by  
16 responding to the PAD questionnaire.

17                   So this is a huge difference in this proceeding.  
18 Relicensing normally starts with a blank piece of paper.

19                   Okay. The second big difference: Scoping at the  
20 start of the proceeding, what we're doing here today.  
21 Normally there is no scoping, and relicensing just sort of  
22 starts whispering and whimpering and it builds up to some  
23 crescendo. And then three years into the proceeding the  
24 applicant files the application, and then FERC holds its  
25 scoping meeting and basically starts the whole thing over

1       again.

2                   One of the big changes with ILP was to move that  
3       scoping forward, make it happen at the beginning of the  
4       proceeding so that everybody had the benefit of all that  
5       input and all the issues, and so on. A huge difference.  
6       And for those of you who aren't the grizzled veterans here,  
7       this is a very different thing.

8                   Another difference: Early development of study  
9       plans and resolutions of study disputes. Typically the way  
10      it happens is you start with a blank piece of paper. You  
11      kind of discuss that for about a year, just trying to get  
12      something on the piece of paper. And there are disputes  
13      that continue on about study plans and goes on through the  
14      entire study group.

15                  Well, one of the things ILP does that's different  
16      is to try and get all those studies identified upfront,  
17      resolve any disputes, so that once the study start that is  
18      the suite of studies. There is opportunity for change when  
19      new issues come up, but a big change.

20                  I wrote down "intense first months" -- "first six  
21      months." Susan said a year, something, six months to a  
22      year. I mean it's in there somewhere. This is intense.  
23      This is not to start with a blank piece of paper, getting to  
24      know you. This is the high speed train that's leaving the  
25      station today. And the first part of this proceeding is

1       going to be intense, because we're going to do all that,  
2       that scoping, develop the study plans, and so on.

3               And, like I said, this group is the elite group  
4       of ILP pioneers. Just to show you how unique you are,  
5       nationally there are only seven licensees that volunteered  
6       to do the ILP. There was a group of 20 or 30 licenses that  
7       fell in a two-year transmission period.

8               FERC issued its ILP order July of last year for  
9       20 or 30 licenses that fell in a two-year transmission  
10      period, where licensees could voluntarily choose to use the  
11      ILP or continue to use one of the other preexisting methods.

12              We decided to volunteer, to be an ILP pioneer.  
13      And so you're all on the ILP pioneer train. And we're the  
14      fourth. We're the fourth PAD to be filed. This is the  
15      fourth ILP scoping meeting. And we've tried to talk to the  
16      other ILP pioneers and find out their lessons. And so far  
17      their scoping meetings have gone really great, quite  
18      frankly.

19              And so what we've tried to do here with our PAD  
20      and in setting up this scoping meeting is really make the  
21      ILP work. And you're all part of the pioneers. And I'd  
22      really like to encourage everyone to work hard to make this  
23      work. And, like I said several times, we're not starting  
24      with a blank sheet of paper.

25              Okay, the next slide, please. Okay, the purpose



1 of scoping. Now I was thinking about this. And the ILP,  
2 this whole concept of moving the scoping forward has really  
3 changed things in some interesting ways. Scoping at its  
4 heart is to identify impacts and issues to address in the  
5 relicensing proceeding. It goes back to the purpose of  
6 relicensing. Project-affected resources. You need to know  
7 what the issues are so you know what to study to figure out  
8 what are the effects on the resources.

9 But what's really interesting is by moving the  
10 scoping forward, okay, there are two radical different uses  
11 of this issue information, and we all need to understand  
12 this. FERC, this is FERC's meeting. I'm just up here for  
13 this one presentation. FERC needs this stuff mostly for  
14 later when it develops its environmental assessment under  
15 the National Environmental Policy Act. That's three years  
16 away. It's not today. It's three years away, okay. And  
17 that's the way it used to work. FERC didn't even show up  
18 till three years away, and then they'd show up. Here we're  
19 with a white sheet of paper, let's talk.

20 So FERC's main use for this information is in the  
21 future in this EA to evaluate the environmental effects of  
22 the proposed action. The proposed action is this, we're  
23 going to apply for a license, a new license for a project.

24 It happens in 2007, 2008. It's in the future.  
25 And it doesn't happen until the license application is

1 filed, okay. As Susan pointed out, that has to happen by  
2 October of 2007. But that triggers FERC's environmental  
3 assessment, okay.

4 But this group has a vastly different need and  
5 timeframe for understanding and dealing with issues. The  
6 licensing requirements of this group needs this stuff now.  
7 And we need it to help identify information needs and  
8 ultimately to perform studies and ultimately to develop some  
9 recommended PM&E -- that stands for protection, mitigation  
10 and enhancement -- or resource-management measures for  
11 possible inclusion in the license application. That thing  
12 that gets filed three years from now that triggers FERC  
13 doing its EA.

14 So this group needs to understand and identify  
15 issues now for an entirely different purpose: For the  
16 purpose of helping feed the license application, then FERC  
17 is going to get up and do its EA three years from now.  
18 Radically different purposes you need to understand.

19 Okay. The next slide, please.

20 MR. GEARY: The next time point it at the  
21 computer and see if that works.

22 MR. MOLLER: Okay. Thanks.

23 So how do we do this? How is this group going to  
24 do this? Well, I hope many of you have spent some time with  
25 the PAD, especially Section 6. When we sent out the PAD we

1       said, "Take a look at 6." We've sent out some email  
2       messages. At the site visit, I was going to Section 6.

3               Section 6 provides a huge amount of help of how  
4       this group can use this information to identify issues and  
5       move forward and eventually come out with some rather new  
6       measures. And specifically it has a diagram. Next slide,  
7       please. No, I'm going to do this.

8               Now, okay, it has this diagram. This is also a  
9       handout up there and it is also in your PAD in the very  
10      first page of Section 6. And what this does is lay out a  
11      concept of how this group, not FERC, it's going to do a  
12      different thing in their NEPA, but how this group might use  
13      this information to go through impacts, issues, studies,  
14      measures. Okay. So I'm just going to walk through this  
15      real briefly.

16              Okay. So starting from here, identifying  
17      impacts, identifying issues arising from these impacts. And  
18      then what? Okay, so we've got a list of impacts and issues.  
19      Then what?

20              Okay. The only reason to identify those things  
21      is to say, okay, these are the things that we may want to  
22      take a look at in the context of proceeding, but the next  
23      step is: Do we have adequate information to be able to  
24      address the impacts in the context of the proceeding. So  
25      that's right here. It goes yes or no. Yes, that way. No,

1       that way.

2               Let's go down to yes. Okay, so, hey, you got  
3 enough information on this issue right now. Do we need to  
4 perform studies? No. We've got adequate information.

5               Then we can go right down this path. We can  
6 identify any gaps then about this issue between whatever the  
7 desired condition around that issue is and the existing  
8 condition around that issue is. We can assess the adequacy  
9 of the existing PM&E measures that are in the current  
10 license or maybe things the licensee is doing voluntarily.

11              Is there some potential to close some gaps. If  
12 there is some potential to close some gaps, yes. Assess the  
13 adequacy of existing PM&E measures to close gaps? No. The  
14 aren't adequate. Develop some new measures. And those  
15 measures then can become part of what the licensee  
16 recommends in their license application that they filed  
17 three years ago, or maybe the existing -- maybe the NOAA  
18 says there was an issue identified, was it adequate  
19 information, take a close look at the existing measures of  
20 the current license. It handles that issue adequately? No.  
21 Then you measure need.

22              But what happens if on the assessment of the  
23 adequacy of the information to address the issue the answer  
24 is no? The existing information is not adequate, and we can  
25 assess that because this summarizes all the existing

1 information that we were able to find after a very rigorous  
2 due diligence process that includes sending out  
3 questionnaires to hopefully all of you.

4 So if the answer to the question is no, the  
5 existing information is not adequate, then we need to  
6 identify what information you need. That leads directly to  
7 the development of some sort of information-gathering  
8 process to form a study, do some research, whatever it is.

9 In performing the studies or gathering the  
10 information, and then it goes down the same path. Once  
11 you've got the information, you can identify gaps between  
12 the existing condition, the desired condition. Assess  
13 adequacy of the existing measures to close the gaps. Maybe  
14 they're adequate, maybe they're not. If they're not,  
15 develop some new ones.

16 So this sort of lays out a vision. I mean, you  
17 know, we're all tossing around these terms: Issues,  
18 studies, measures. I mean how do these things fit up. This  
19 helps this group understand how this thing fits up.

20 I understand this is a totally different thing  
21 than FERC's going to do in its environmental assessment,  
22 because that's driven by NEPA. And that's all about  
23 assessing effects and coming up with alternatives, including  
24 the proposed action and some alternatives. It's about  
25 assessing effects on the environment.

1                   Okay. The next slide, please. Remember, you've  
2 got this in your PAD; it's handout back there.

3                   Okay. So let's talk about the impacts. And I  
4 have to tell you that we did something in the PAD that's  
5 probably a little different than what you've seen before, so  
6 you can buy into this or not. It really doesn't matter in  
7 the big picture.

8                   But the PAD Section 6.1 identifies and describes  
9 18 primary project impacts. What we decided to do on this  
10 is we said, look, you know an issue is really where there is  
11 some valuation involved. An impact is just an impact. It  
12 might be good, it might be bad. It depends on the direction  
13 you're looking at.

14                  So we said an impact is simply like a mechanical  
15 impact, a change to the natural or human environment  
16 attributable to the project. Like an impact is the project  
17 puts structures in stream channels. That's an impact. Good  
18 or bad. Well, it might be good; it might be bad. If you're  
19 trying to divert water, it's good. If you're trying to pass  
20 salmon, it's bad, you know. But we said the impacts are  
21 just those physical changes.

22                  Impacts neither inherently positive or negative,  
23 but may give rise to issues that may be viewed as positive  
24 or negative. Not necessarily all impacts give rise to  
25 issues, okay. And when you look through Section 6.1 of the

1 PAD this is explained in there in a little more detail. And  
2 we list issues, the impacts, 18 impacts.

3 Okay, next, please. Oh, and this board right  
4 over here lists the 18 impacts we identified. Someone else  
5 might have identified 20 or five, but these are the ones we  
6 identified, including input from people who responded to the  
7 PAD questionnaire.

8 Let me just read a couple: "Disturbance of the  
9 land." Obvious. Okay. "Presence of Project structures in  
10 stream channels. Diversion of water from stream channels.  
11 Discharge of water into stream channels. Discharge of water  
12 at dams and canal spillways. Alteration of streamflows."  
13 And so on and so forth, including presence of human  
14 activities related to Project operation. Presence of  
15 Project structures on land. Changes in socioeconomic."

16 We tried to gather these up. They might be a  
17 little differently, but I think we got most of them.

18 Okay. So then what? Well, we say so these  
19 impacts then, depending on how you look at them, lead to a  
20 whole bunch of issues. And we went out with the PAD  
21 questionnaire and asked -- how many people were on the PAD  
22 questionnaire list?

23 MR. ZEMKE: A hundred and twenty.

24 MR. MOLLER: To 120 parties we said: Please  
25 identify any issues; as well as information that you know

1       about. Plus we listened closely to what was said in all our  
2       outreach meetings. And we went through and we identified 86  
3       distinct issues.

4               So the issues then represent concerns or  
5       questions that arise from the impacts, so you take the one.  
6       Well, take number 2, "Presence of Project structures in  
7       stream channels." Okay, so there's a structure in the  
8       stream channel. What are issues from that? "Well, you  
9       know, I'm concerned about what that does to stream channel  
10      geomorphology, the movement of sediment down -- at this  
11      movement of sediment downstream. And I'm worried about what  
12      that does to fishing passage and I'm worried about what that  
13      does to the local riparian vegetation."

14              Those are all issues, those are concerns arising  
15      from that impact of this thing in the stream channel.

16              Kind of with me? Okay, we identified 86 of  
17      those. They were from multiple sources. Some of them we  
18      identified. Some were from consultation. Some of them came  
19      from the questionnaire. We then edited them to try -- many  
20      times five different people would say the same issue  
21      slightly differently. We edited them to try and make them  
22      clear. And we grouped them by resource area.

23              Now what you see around the room here and what  
24      you have in the PAD in Section 6.1 is all of these issues  
25      grouped by resource area. So right there, cultural



1 resources and tribal resources. Those are all the issues  
2 that got identified relative to those resource areas.

3 The next one. Aesthetic resources and  
4 socioeconomics. Those are the issues that were identified  
5 there.

6 In the PAD each one of the issues gets a  
7 description, about a paragraph description, to help people  
8 understand what that is, okay.

9 The issues vary in importance and need for  
10 action. Some of them are not very important issues. Some  
11 of them are huge important issues. That's kind of an  
12 individual interpretation.

13 Not all the issues we listed in the PAD arise  
14 from project impacts. People wrote down issues in the PAD  
15 questionnaire that had nothing to do with the project as far  
16 as we could tell. We put them in there because we wanted  
17 the PAD to be a robust, comprehensive document. They're in  
18 there. We tried to put them in there. Hope you'll see them  
19 in there.

20 The issue descriptions include an assessment of  
21 adequacy of the existing information to address that. We  
22 actually tried, since we had gathered up all this  
23 information, we tried to say, okay, for that issue do we  
24 think there's enough information to address it. Sometimes  
25 it was a slam dunk. Some stuff -- either way. Oh. there

1       was tons of information, or there's nothing on that. We're  
2       going to have to do studies. Or maybe somewhere in between.  
3       We tried to address that. It's written into the description  
4       like that.

5               Now this next one, don't anyone come up and punch  
6       me on this, please. We're expecting, and I have to say  
7       hoping, anticipating that what's in the PAD right now with  
8       all of your input from the PAD questionnaires and all of the  
9       consultations we did and all the work the PG&E team did,  
10      hopefully we've got about 80 or 90 percent of the issues  
11      nailed, okay.

12             And instead of starting with a blank piece of  
13      paper, hopefully we're starting with about 80 or 90 percent  
14      of them there, and so that this group, instead of having to  
15      write down all the obvious ones, we've already got the  
16      obvious ones, what this group needs to do is to make sure  
17      that we got them right, the ones we put down, we got the  
18      description right, we captured your interest, captured your  
19      concern, and did we miss some. Much better than starting  
20      with a blank piece of paper.

21             Okay, next slide, please. Okay. So tracking  
22      through that diagram that goes from impacts to issues to  
23      studies, Section 6.2 of the PAD, -- or 3, pardon me -- 6.3  
24      then takes that next step and says, well, if this is the  
25      universe of issues, and there is some degree of assessment

1 of the adequacy of existing information to address it, we  
2 then developed a whole suite of proposed studies to close  
3 the information gaps where we thought there were information  
4 gaps. There are 41 studies proposed there.

5 And, again, multiple sources: Some licensing,  
6 some from the consultations, some from the PAD  
7 questionnaire. We asked the question on the PAD  
8 questionnaire: Need studies. You don't. Some people wrote  
9 them down.

10 Okay. In preparing the proposed studies in  
11 there, the licensee considered the issues, the adequacy of  
12 the information, the seven ILP study criteria. And not all  
13 the issues needed studies because sometimes either the issue  
14 is not project-induced or we thought there was adequate  
15 information. The studies are driven by resource areas.

16 The PAD includes only studies for what the  
17 licensee thought were project-induced impacts different than  
18 the issues. We put in all the issues whether we thought they  
19 were project-induced or not. Studies, we only put in the  
20 studies. They had to be project-induced and we to receive  
21 information back.

22 In the PAD each study has a brief description  
23 that goes with it. Again, just a paragraph or two. These  
24 are easy to read. And there are handouts over there that  
25 have all this stuff if you don't have the PAD with you.

1           The brief description identifies the study  
2     objective, briefly describes the methods and how the results  
3     will be used. So there's enough information there so you  
4     can get a general idea of what it's going to be.

5           And, again, we're anticipating that we probably  
6     got 80 to 90 percent of the studies there. What isn't in  
7     there is all the details about the studies, for sure. And  
8     that's what this group is going to have to help provide, all  
9     the details. But we only think 41 studies. We went and  
10    benchmarked again other recent licensing proceedings to see  
11    what ultimately worked there. We think we might have 80 to  
12    90 percent of them there.

13           The other thing we did is PAD Appendix G provides  
14    a study plan template. What we did is we took, looked at  
15    several other proceedings where groups just like this have  
16    developed study plan descriptions. We developed a standard  
17    template, and we added in several of the seven criteria and  
18    we created a template. It's in Appendix G in your PAD. And  
19    we actually took one of these and fully populated it for a  
20    study that we wanted to get going on quickly and reviewed  
21    one of the outreach measures on the water temperature  
22    monitor.

23           So, anyway, we created a tool to again help this  
24    group. Those of you who are grizzled veterans know you can  
25    spend days just arguing about what the container should be

1       for the study plan. We created the container. Let's pop  
2       it.

3               Okay, next slide, please. That's just this  
4       again, please. Okay, tools for scoping. What PG&E has done  
5       here is to take all the lists of issues that are in the PAD  
6       and print them on these big boards that are around the edge,  
7       okay.

8               There are also handouts back there that are the  
9       printed sections that have not only the description of the  
10      issue but it has -- I'm sorry -- the name of the issue, but  
11      it has the description of the issue. It's all right out in  
12      the PAD. These are just copies of what's in the PAD.  
13      That's the handout.

14              What this meeting ideally will focus on is this  
15      group then checking those and making sure that your issues  
16      are covered, that are captured. And, if not, write down  
17      your issue, tell us what it is. The "us," this is the  
18      inclusive "us," okay.

19              Now one caution I have is I really have to  
20      caution you about not overediting. The groups that start  
21      off with a blank piece of paper typically get 10 or 15  
22      versions of the same issue and then go through an  
23      outrageously tiring and cumbersome process of should it be  
24      this word or this word.

25              These issues aren't the end product. They're

1       just the step to help us eventually get to what are the  
2       things that need to be addressed in this relicensing  
3       proceeding, what information is needed, and what should the  
4       final license conditions be. So I would caution about  
5       getting a possible overcredit, okay.

6               Next slide, please. This last slide, I think  
7       this is the last slide, I was advised that several people  
8       have been asking, well, how does collaboration fit in the  
9       ILP. Hey, it is different, for sure.

10              So we've had some thought. And I wanted to get  
11       this up on the board to let you know that PG&E is committed  
12       to using what I'm going to call generic collaboration to try  
13       and move these relicensing proceedings through. And we  
14       actually looked at them, our view of it, because  
15       collaboration, as we see it, is the participants in this  
16       proceeding working together with a goal of developing  
17       solutions that hopefully everybody can live with, but at  
18       least as many participants as possible. And we are  
19       absolutely committed. And those of you who have worked with  
20       us in other proceedings know this, that we are committed to  
21       using the approach for all of our relicensing proceedings.

22              And we hope that everyone will join us here. The  
23       ILP, because of the very tight timeframe up in front, there  
24       isn't the time for the very slow, getting to know you; let's  
25       talk about things for a really long time; yeah, at some

1 point we'll put it down on paper. The ILP doesn't do that  
2 timeframe. We've got to hit the ground running.

3 And what we've tried to do in our outreach  
4 meetings, PAD questionnaire, development of the PAD is to  
5 give all of us the tools so that this can be a successful  
6 relicensing proceeding.

7 I think that was the last slide. Yeah.

8 Any questions on any of that?

9 Well, I hope that's given a vision that will be  
10 useful to this group. I don't expect to come to very many  
11 of these meetings, but I hope you find that useful. And I  
12 guess it goes back to Susan, somebody.

13 MS. O'BRIEN: Great. Todd, do you have anything  
14 else?

15 MR. TODD JOHNSON: Nothing else.

16 MS. O'BRIEN: Okay. Thank you very much, David.  
17 I need to have David come work for FERC.

18 MR. MOLLER: I'm busy.

19 MS. O'BRIEN: Let's go ahead and take a break,  
20 and we'll come back and we'll try to get in to discussing  
21 the issues. It's ten after 2:00 now. Let's try to get back  
22 at 20 after. If you could pick up a sign-in sheet, maybe  
23 fill it out at your seat and hand it in at the end of the  
24 meeting, that would be great. Bathrooms are down the hall  
25 on the left. And there's cookies and water.

1 (Recess taken from 2:10 p.m. to 2:30 p.m.)

2 MS. O'BRIEN: Okay. Two notes we wanted to  
3 mention, that the study plan template, it's actually in the  
4 PAD, but also copies of it are in the back. And there are  
5 also copies excerpted from the PAD on Section 6 in the back.  
6 PG&E, like resource areas, and we had actually brought  
7 copies of the entire Section 6 printed up. And we'd like to  
8 use that as a basis to start the discussion with.

9 And also you will note in our agenda we didn't  
10 include geology or threatened and endangered species. We  
11 felt like we mentioned in the PAD that geology was mainly  
12 erosional issues. And they could be discussed in the  
13 appropriate resources that they affect, such as aquatic  
14 resources and recreation. But if the group would prefer we  
15 keep it separate, we can do that.

16 And the same thing with threatened and endangered  
17 species. For the purpose of discussion, we felt like  
18 aquatic threatened and endangered species could be discussed  
19 with the aquatic section and any terrestrial, land.  
20 Threatened species could be discussed when we're talking  
21 about terrestrial.

22 And I should also mention our Scoping Document 1  
23 grouped a lot of the issues that PG&E laid out details. We  
24 sort of it grouped it in more general. If people would  
25 prefer that we take the more detailed approach for our



1       scoping, we can do a Scoping Document 2. We'll see what  
2       comments we get on the scoping document. And if you guys  
3       comment on that with a lot of details, that you'd rather see  
4       the more detailed approach in our scoping document, we'll go  
5       ahead and do Scoping Document 2.

6               And like David mentioned in his presentation, we  
7       usually refer to our scoping document when we're preparing  
8       our environmental analysis document, sort of a basis to make  
9       sure we've covered all the issues that were presented in the  
10      scoping document are addressed in the EA. That's sort of  
11      the connection there.

12             But, in the meantime, all the time that's in  
13      between is hopefully we're going to get to the basis and the  
14      beginnings of the EA as a result of this process, and it'll  
15      even be in that format when they're filing their license  
16      application, is sort of the goal here.

17             And I thought before we start discussion it would  
18      be good to read from Section 5.8 of the regs as what was  
19      envisioned for scoping meetings. And if any of you are  
20      familiar with licensing other projects and our traditional  
21      scoping meetings, and those that haven't, just so you know,  
22      FERC staff usually stands up at the front and has a nice  
23      PowerPoint presentation and we list through all the issues  
24      and then we ask for comments. And that's it, we all go  
25      home. So we've really changed the format for this

1 discussion in an interactive format and really tried to get  
2 to the meat.

3 So I thought I'd start by just reading. It's  
4 page B-19. It's Section 5.8 at the end.

5 "5.8(d) Scoping Meeting and Site Visit. The  
6 purpose of the public meeting and site visit is to:

7 "1, Initiate issues, scoping pursuant to the  
8 National Environmental Policy Act;

9 "2, Review and discuss existing conditions and  
10 resource management objectives;

11 "3, Review and discuss existing information and  
12 preliminary" -- "and make preliminary identification of  
13 information and study needs;

14 "4, Review, discuss, and finalize the process  
15 plan and schedule for prefiling activity that incorporates  
16 the time periods provided for in this part and to the extent  
17 reasonably possible, maximize coordination of federal,  
18 state, and tribal permitting and certification processes,  
19 including consultation under Section 7 of the Endangered  
20 Species Act and water qualification certification or waiver  
21 thereof under Section 401 of the Clean Water Act; and

22 "5, Discuss the appropriateness of any federal or  
23 state agency or Indian tribe acting as a cooperative agency  
24 for development of the environmental document pursuant to  
25 the National Environmental Policy Act."

1                   So that's what we're here to do today, is review  
2                   and discuss. Number 4 and number 5, discussing and  
3                   finalizing the process plan and seeing how federal agencies  
4                   and other schedules fit in with the process, and 5, talking  
5                   about cooperating agencies I thought that we better discuss  
6                   separately since it's more a procedural step. So that's  
7                   what we plan to do tomorrow, tomorrow morning. And today  
8                   we'd like to review and discuss information needs and  
9                   issues.

10                  And the end of Part 3, "Make preliminary  
11                  identification of information and study needs." That's  
12                  fine, but today is not. You look at box 7 of the ILP  
13                  process, today is not a study plan meeting for resolution of  
14                  study issues.

15                  Today we're really just trying to make sure we  
16                  have all the issues identified, and if there needs  
17                  clarification, a discussion. And if that leads to  
18                  preliminary study needs and goes in that direction, great.  
19                  But we'll also have a board here that if we're starting to  
20                  go too far in that direction, we'll put the breaks on, put  
21                  it up on a board, and we come back to that during future  
22                  study plan meetings that PG&E will take the lead on.

23                  And did you want to discuss today your intentions  
24                  regarding study plan meetings? Maybe that's better said  
25                  now, before the end of the meeting?

1                   MR. TODD JOHNSON: I was actually planning to do  
2 it tomorrow, but I can discuss it today as well.

3                   MS. O'BRIEN: Do you want to just briefly mention  
4 it so people that aren't going to be here tomorrow --

5                   MR. TODD JOHNSON: Sure.

6                   MS. O'BRIEN: -- are aware of it.

7                   MR. TODD JOHNSON: In the Draft Process Planning  
8 Schedule that's in the back, one of the handouts --

9                   MS. O'BRIEN: Can you speak up, too?

10                  MR. TODD JOHNSON: Okay. The Draft Process  
11 Planning Schedule, there's -- we've added in some dates for  
12 applicant-sponsored study plans, study plan meetings or  
13 study plan workshops. As was mentioned in David's  
14 presentation, there are a large number of study plans that  
15 are out there right now that we are proposing. Many of  
16 those have to get started within the 2005 study season to  
17 avoid having information provided well after the application  
18 is filed.

19                  So the purpose of this meeting is to -- the  
20 purpose of these meetings are to, one, give a large overview  
21 of what these studies are, try to gain some agreement on  
22 what the study plan template is, and also to have some  
23 periods where we can go through and discuss in detail the  
24 other study plans that may be needed for next year.

25                  So on the Process Planning Schedules there's --

1       if you looked down just below, this is under Part 5.8, it  
2       shows the applicant-sponsored study plan workshops that are  
3       proposed. So prior to tomorrow it would be great if we  
4       could get some biop on whether or not those dates work for  
5       all those that are interested in participating in that study  
6       plan workshop.

7               There's also another area, that there have been  
8       some dates and proposed dates that we'll have to look at our  
9       schedules on, is Section 5.11. There are some proposed  
10      dates out there for the initial study plan meeting plus the  
11      follow-up study plan meetings to address other study plans  
12      that come up during this process.

13             So I think that for just an overview of what  
14      we're planning to talk about. Take a look at the Draft  
15      Process Plan and Schedule and also check your schedules to  
16      see if any of those dates would work. Tomorrow during the  
17      second day of the presentation we can try to reach some  
18      agreement on what dates would be available.

19             MS. O'BRIEN: Great.

20             MR. TODD JOHNSON: Okay.

21             MS. O'BRIEN: Thank you, Todd.

22             So I'd like to just start off this discussion --  
23      I should also mention I'm the Project Coordinator, but I  
24      also have to take that hat off. And I'm also a Fisheries  
25      Biologist that will be looking at the water quality and

1       aquatic issues in this project.

2                   And in that regard I think this was a very well  
3       done PAD and really hit the nail on the head with  
4       identifying the issues. And I commend PG&E for doing such a  
5       thorough job of putting it together and reaching out to  
6       everyone through their questionnaire and other methods of  
7       gathering all this information and coming up with their list  
8       of issues and proposed study ideas.

9                   So on that note I really don't have any further  
10      issues from my point of view to add on water quality and  
11      aquatic and fisheries resources, but I'd like to open up for  
12      the group and let's discuss that issue for a while. Is  
13      there anyone who would like to go first?

14                  Jim.

15                  MR. CANADAY: Jim Canaday, State Water Board. In  
16      general the list is fairly well thought out, but there are  
17      some details we'd like to see in the water resources and  
18      water rights.

19                  One of the things we're interested in and PG&E is  
20      clearly aware and familiar with: Canal losses. We'd like  
21      to understand what the water loss is in transport in the  
22      canals, because there may be ways, since water is limiting,  
23      there may be ways that we can do more to improve, if there  
24      is significant canal loss, that there may be some ways to  
25      improve that.

1                   There are places in the Sierras where the canal  
2                   loss is in the range of 90 percent. So if you're trying to  
3                   push a lot of water through you're losing a lot of water in  
4                   transit. And we want to be as efficient as we can. So that  
5                   that's important.

6                   We'll also need documentation of the water  
7                   rights, the various water rights, pre-14 or otherwise that  
8                   the company is going to use to operate the Project.

9                   I heard you talk about water temperature. I  
10                  haven't seen that plan. I suspect you've given that to  
11                  Russ, the monitoring plan for temperature?

12                 MS. O'BRIEN: It's in the PAD as well.

13                 MR. CANADAY: Right. But I thought you had  
14                  something out that you handed out for Russ to review. You  
15                  hadn't done that?

16                 MR. TODD JOHNSON: We have handed --

17                 MS. O'BRIEN: Back in --

18                 MR. TODD JOHNSON: Yeah. We have handed out the  
19                  water temperature monitoring plan, but it's also included in  
20                  the preapplication document.

21                 MR. CANADAY: I'm just wondering if he had gotten  
22                  back to you with any comments on that. I wasn't aware if he  
23                  did.

24                 MR. TODD JOHNSON: I don't think we have received  
25                  any comments back from Russ, no.

1                   MR. [SPEAKER]: I think we had comments from the  
2 Forest Service and from Al.

3                   MR. CANADAY: Okay. Because I'll take a look at  
4 it and try to get back to you.

5                   Another point of interest is if you use any  
6 algacides in the canals to control algae, we'd be interested  
7 in what the process is and what you're using there and the  
8 timing.

9                   We know in other places in California that  
10 algacides are used, and we do have some issues depending on  
11 the timing and the amount.

12                   We're also interested in realtime telemetry of  
13 temperature and how -- along with the gauging stations that  
14 may ultimately be part of the package for the license.

15                   We're also -- well, I'll guess I'll save other  
16 comments on the feeder streams when we're talking about fish  
17 and aquatic.

18                   MR. TODD JOHNSON: If we were to recapsulate  
19 those in terms of specific issues, and I think that's what  
20 we were trying to get at, trying to identify specific issues  
21 related to the operation of the Project. Some of this is  
22 information that we could provide to you outside of the  
23 issue development, but I am hearing two, that I guess  
24 there's really specifically two that deal with specific  
25 issues, and one is the losses of water during transportation



1 of water through the canals.

2 MS. O'BRIEN: Um-hum.

3 MR. TODD JOHNSON: And then there is also the use  
4 of algacides in the canals that --

5 MR. CANADAY: Well, I don't know if you use them,  
6 but it's standard practice particularly if you have gunited  
7 canals that algacides are used periodically. And, one, we'd  
8 like to know if you do that. Two, we want to ensure that  
9 you're under permit to do that so that we make sure that  
10 we're not causing impacts, because we --

11 MR. ZEMKE: Jim, I think we have not used  
12 algacides -- I don't know, Jim, do you know --

13 MR. BUNDY: Not on this --

14 MR. ZEMKE: -- in quite a few years.

15 MR. BUNDY: Yeah, Jim Bundy with PG&E. We have  
16 not used algacides. I've been there 12 years. And prior to  
17 my coming there, I mean years prior, they used to use  
18 Bluestone and since I've been there we don't even have  
19 Bluestone on the property.

20 MR. CANADAY: Okay.

21 MR. BUNDY: So we haven't used that in a number  
22 of years.

23 MR. CANADAY: Good.

24 MR. BUNDY: It was at one time.

25 MS. O'BRIEN: More issues on water resources?

1                   MR. WILL JOHNSON: Yeah. Will Johnson, Butte  
2                   Creek Watershed. I think supportive of a more thorough  
3                   monitoring program would probably be very beneficial. And,  
4                   additionally, to just having realtime monitoring and for  
5                   temperature also include possible dissolved oxygen or even  
6                   electroconductivity for any sort of inorganics or organics  
7                   that might be in.

8                   In cleaning out the flumes, the maintenance on  
9                   the flume and canal systems, the timing, what was it a  
10                  couple of years we had a slide and we also had a cleaning  
11                  event that put quite a bit of just fine materials into the  
12                  water course. It was basically just silty and muddy. And I  
13                  don't know, that's a rare occurrence, but possibly something  
14                  to address that, that the timing might take place during a  
15                  really low water period, say late August to mid-September.

16                  And I'm not sure of the statistics that you used  
17                  to define that the March time period is the best maintenance  
18                  area for the canal system, besides that you might drain them  
19                  out already because of high water in the stream and you  
20                  don't want to have all that rainwater and snowmelt coming  
21                  into the canals.

22                  That's probably it for this session.

23                  MS. TURNER: Kathy Turner with the Forest  
24                  Service. We have several issues. The first one deals with  
25                  past landslides and canal failures. PG&E did address that

1       in the PAD. We noticed in there where they were talking  
2       about that they mentioned that there are some specific areas  
3       that are of concern, but those areas were not discussed.

4               We would like to receive information on where  
5       those are a problem so that if any of them are affecting  
6       national forests we could look at those and see if there are  
7       some preventive measures.

8               And not only where they are but why they  
9       occurred. If it was a natural landslide, if there was some  
10      sort of tunnel burrowing or some sort of animal problem, or  
11      just what caused it, that would also help.

12              The same thing applies to dam failures. If there  
13      are any or if there are some weak structures where that  
14      might be a problem, we'd like to know that also.

15              There was a discussion in the PAD also about the  
16      raw oversteep and banks below both Round Valley and  
17      Philbrook Reservoir spillways. And we would agree with PG&E  
18      in the PAD.

19              There was -- the discussion went on, though, and  
20      discussed that the sediment was not deposited on a regular  
21      basis but just during major storm events. And our analysis  
22      of that same situation shows that it's an ongoing situation.  
23      So we'd like -- PG&E did propose a study to look at that.  
24      We would like to make sure that that study looks at all  
25      possible erosion, not just during major storm events but

1       also on just a regular occurring basis.

2               We did have comments on the water temperature  
3       modeling, and we submitted those earlier, like Bill  
4       mentioned, that he had gotten comments from the Forest  
5       Service. Just wanted to put on the record that we have  
6       submitted comments on it, and I won't elaborate on those  
7       here.

8               When you're looking at water quality one of our  
9       concerns is with off-highway vehicle use and impacts,  
10      especially since that type of vehicle use is going down into  
11      Snag -- you call it Round Valley Reservoir. That OHVs are  
12      getting in there after the reservoir is drained for the  
13      year, and that also affects water quality. So we'd like to  
14      have an emphasis on that.

15              And for the same reason, dispersed camping in the  
16      area because of the sanitation issues with dispersed camping  
17      along those waterways.

18              We'd like to be involved when you work with the  
19      State Water Resource about individual water quality  
20      parameters that are going to be measured, see if there's  
21      anything additional. But we would be deferring to the State  
22      for the majority of those. We just want to make sure we're  
23      in agreement with what's decided.

24              And we also would like to better understand the  
25      streamflow parameters, and maybe this is better discussed

1 under fish and aquatics, but we are going to be looking for  
2 some instreamflow incremental methodology data, the extent  
3 to which we need we don't know.

4 I should preface that all of our comments are  
5 based on lands affected -- National Forest system lands and  
6 resources that are affected, which doesn't mean the entire  
7 system. The National Forest is mostly restricted to the  
8 West Branch of the Feather River. There are no National  
9 Forests on the Butte Creek stretch. So our interest would  
10 be some instreamflow information on the West Branch Feather  
11 River, both above and below the Hendricks Head Dam  
12 potentially.

13 And I think that's it. Thank you.

14 MS. O'BRIEN: Thank you.

15 More comments on the water resources? Can we  
16 move onto --

17 MR. HARTHORN: Susan?

18 MS. O'BRIEN: Yes.

19 MR. HARTHORN: I also want to make a few  
20 comments.

21 MS. O'BRIEN: Oh, can you have a mic? Thank you,  
22 Allen.

23 MR. HARTHORN: Allen Harthorn, Friends of Butte  
24 Creek. Related to flume failures, on May 11th of 2003 there  
25 was a flume failure just below the Centerville Head Dam.

1 And essentially we just had the spring run arrive in April  
2 and May, and they were filling the pools pretty handily and  
3 then the flume failure happened. This was not a  
4 storm-related event. It was apparently just a slide that  
5 fell in the flume and --

6 MS. O'BRIEN: Which flume was it?

7 MR. HARTHORN: This is the lower Centerville  
8 Canal.

9 MS. O'BRIEN: Okay.

10 MR. BUNDY: If everybody calls -- Jim Bundy with  
11 PG&E. Not all the canal is a flume. A flume is a structure  
12 and the canal is the canal itself. So it's a specific  
13 flume. It could have failed, but in this case it was a  
14 portion of the canal, a gunite-line canal. Just clarifying.

15 MS. O'BRIEN: But is it a portion of the Lower  
16 Centerville Canal?

17 MR. BUNDY: Yes, correct.

18 MS. O'BRIEN: Okay. Thank you.

19 MR. BUNDY: Um-hum.

20 MR. HARTHORN: And for those that were on the  
21 field trip, we actually walked down to the site of this  
22 failure and took a look at the repair job that they've done,  
23 which seemed quite adequate.

24 But the fact of the matter is it happened on a  
25 Sunday and, you know, not too many people were out looking,

1 but essentially the creek turned to chocolate milk, is the  
2 common term that we in the canyon use for these events. And  
3 they're actually quite frequent.

4 The cleaning of the flumes was much more of a  
5 problem in the past than it is currently because they have  
6 improved their management practices for that. But the  
7 history of flume failures and sedimentation of the creek is  
8 something that everybody who lives in the canyon is well  
9 aware of and are all pretty tired of seeing this happening  
10 to the creek.

11 One of the biggest problems related to this is  
12 that a number of the pools have started to fill in. There's  
13 one in particular in my area that is no longer a  
14 salmon-holding area. It always was in the past, but now  
15 it's almost completely filled in.

16 So major sedimentation can, in fact, destroy the  
17 holding habitat for our spring-run salmon. And the longterm  
18 effects of this are hard to measure without some sort of  
19 analysis of the actual volume of the pools that we have and  
20 which ones are filling in with sediment, which ones are  
21 actually being scoured out at various times.

22 And so I think it's imperative that we do a  
23 little bit more research on the baseline conditions of the  
24 pool volumes and the effects of some of these landslides  
25 that occur on these particular areas.

1                   There are also a number of sediment events that  
2                   don't seem to have any explanation. There was one last year  
3                   in October that happened at a time when the powerhouses  
4                   clicked off for one reason or another and there was a  
5                   sediment event that nobody in PG&E saw. It was just a  
6                   coincidence that I happened to see it and was able to take  
7                   some pictures of it.

8                   Nobody has been able to clearly explain where  
9                   that sediment came from. It happened at a time right after  
10                  the salmon had finished spawning, so of course this sediment  
11                  comes down and it goes right onto the freshly dug beds.  
12                  Obviously a problem for the salmon.

13                  And there's really no monitoring to identify when  
14                  an event like this happens. There is a turbidity gauge down  
15                  below the covered bridge that is only about operational  
16                  maybe 50 percent of the time, but that's quite a ways below  
17                  the Centerville Powerhouse. So the effects down there are  
18                  much less than they are up in the primary salmon spawning  
19                  areas.

20                  And it seems obvious that more turbidity  
21                  monitoring needs to take place closer to the project near  
22                  the Centerville Powerhouse, perhaps at the Centerville  
23                  bridge. And an event-monitoring system that would identify  
24                  a turbidity event and then begin sampling the water on a  
25                  regular basis after that event begins, would be able to give



1       us a little better handle on exactly what's happening.

2                   Because when I first started calling the Regional  
3       Board about these sediment events the response I got was  
4       that PG&E says that there are not a significant amount of  
5       settlable solids in the sediment events and so it's not a  
6       problem. But the next time it happened I was able to get  
7       some samples and turn them into the Regional Board and was  
8       told by the Regional Board person who sampled it that, in  
9       fact, there are settlable solids in there.

10                  And being a fishing guide I see these sediments  
11       on the creek quite frequently, and I know it's a problem.  
12       And I know it has to be dealt with a little bit more  
13       strongly. So that's it for right now.

14                  MS. O'BRIEN: Thank you.

15                  Yes.

16                  MR. WILL JOHNSON: One more quick comment. Will  
17       Johnson, Butte Creek Watershed. A problem with a lot of the  
18       monitoring efforts in any resource program are their  
19       longevity. It may be a good idea to somehow, instead of  
20       just looking at monitoring for a short duration for the  
21       purposes of this process, to set up a framework that the  
22       monitoring from remote sites for temperature, DO flow,  
23       turbidity, whatever it might end up being, somehow be set up  
24       so that it can be sustained over a multi-year period, five,  
25       ten, 20 years, building a comprehensive database of those

1 conditions and working out into a thermal graph model that  
2 would allow for a really good management of the resource.

3 That's the only comment.

4 MS. O'BRIEN: Great.

5 Okay, let's move on to fisheries, if there are  
6 more aquatic resources in fishery comments. Jim, you want  
7 to start us off? I know you had some.

8 MR. CANADAY: Well, it's more of an interest.  
9 Reading the PAD, it talked about the, I guess it's the four  
10 feeder streams that are no longer being diverted. But it  
11 was unclear whether -- or the language in the PAD suggested  
12 that a decision may be to start to redivert those. And so  
13 that's of interest to me.

14 We're also interested in the habitats below the  
15 feeder streams and the minimum-flow requirements that are  
16 currently in the license or we're interested in the adequate  
17 resources. Even though they're short sections, we are  
18 interested in those, because it would be inconsistent with  
19 the Basin Plan to dry up the stream. So we're interested in  
20 how those are going to be managed. So that's outside of  
21 other things that they have identified that's something of  
22 our interest.

23 MS. GIGLIO: Debbie Giglio, Fish and Wildlife  
24 Service. We're also interested in small feeder streams.  
25 And if there are some streams that dry up, we're interested

1 in getting a lot of macroinvertebrate information during the  
2 wet time of the year on those streams, because that helps us  
3 set flows. So we do require that information.

4 MS. O'BRIEN: Any more comments? Yes.

5 MR. WILL JOHNSON: Will Johnson, Butte Creek  
6 Watershed. A biodiversity or a bio assessment survey of the  
7 Watershed would be a good thing to have. It would be also  
8 opportune at this time, because the Resource Conservation  
9 District and the coordinators for the other four watersheds  
10 in the area are also looking at doing a countywide bio  
11 assessment for all of the water courses or selected water  
12 courses in Butte County. Maybe there's some coordination  
13 opportunity.

14 MS. O'BRIEN: Can you get that information for  
15 us? Will you submit it with your comments, or can you give  
16 it to us before then?

17 MR. WILL JOHNSON: It's back at the office. I'd  
18 have to submit it with comments and get the authority from  
19 the other coordinators to go ahead and put that proposal  
20 together and put it into you.

21 MS. O'BRIEN: That would be great.

22 MR. WILL JOHNSON: Okay.

23 MS. O'BRIEN: More comments on fisheries,  
24 including threatened and endangered salmon and the  
25 endangered species?

1                   MS. TURNER: Kathy Turner, Forest Service. A lot  
2 of the comments we have are about specific studies. And I  
3 wasn't sure, Susan, if you really wanted us to go through  
4 that today or just kind of explain the overall concern in  
5 the issue. Is that what you'd prefer?

6                   MS. O'BRIEN: I think in the interest of time  
7 it'd be better to go over the overall list, the summary.

8                   MS. TURNER: The summary of our concern is that  
9 the PAD contains a lot of information about aquatic  
10 resources in Butte Creek and anadromous fishery and all the  
11 others. There's a general lack of information about the  
12 West Branch of the Feather River and specifically south of  
13 the Hendricks Head Dam where there are isolated Plumas  
14 National Forest lands.

15                   So those are the areas we'd like to see some  
16 specific aquatic sampling done. What if I just mentioned  
17 the species we're interested in?

18                   MS. O'BRIEN: That would be fine.

19                   MS. TURNER: Okay. The species of particular  
20 interest to us are the Foothill Yellow-Legged Frogs, which  
21 used to be found on the Lassen National Forest up around  
22 Philbrook Creek and have not been found in recent years by  
23 Forest Service studies, so we're assuming that they're not  
24 there and aren't requiring studies where we've already done  
25 them. But we'd like to have other lands that have not been

1 surveyed for them yet looked at.

2 Habitat mapping for fish. We're interested in  
3 seeing where fish are occurring. Also for fish population  
4 surveys in Round Valley and Philbrook Reservoirs. And some  
5 of this information I think PG&E has done, but just  
6 reiterating what we'd like to see.

7 There may be a need to look at Sensitive Mollusk  
8 species. We agree with PG&E: Proposed benthic  
9 macroinvertebrates surveys, but want to assure that where  
10 they talk about Project-affected reaches, that those include  
11 National Forest-affected lands.

12 In some areas, generally in the PAD it doesn't  
13 say exactly what's meant by "Project-affected reaches." In  
14 other areas it does describe that in more detail, and in a  
15 lot of cases it leaves out the West Branch of the Feather  
16 River. We're not sure why that would be the case because  
17 that is a Project-affected reach in that the water has been  
18 transferred over to the Butte Creek. So to us it's a  
19 Project-affected reach. But -- so we just want to make sure  
20 we're in agreement on where those surveys take place.

21 And then we're not sure about the depth of the  
22 issue but we're somewhat concerned with fish entrainment.  
23 We're thinking that maybe by looking, taking a two-tiered  
24 approach and looking more at the water temperature in fish  
25 population studies conducted presumably in the first year,

1       that we may get a better handle on whether or not there  
2       would be a fish entrainment and need further looking in a  
3       second year of study.  So that's it.

4               MS. O'BRIEN:  Thank you.

5               MS. GIGLIO:  Debbie Giglio, Fish and Wildlife  
6       Service.  One other issue we had was that the PAD discusses  
7       the enhancement of fish passage for anadromous fish.  And  
8       we'll be looking at and wanting to collect information on  
9       fish passage barriers and fish passage enhancement for all  
10      aquatic species in the system.

11              MS. LOWRY:  More comments on fish?

12              MR. HARTHORN:  Allen Harthorn, Friends of Butte  
13      Creek again.  The entrainment issue that -- was it Kathy?

14              MS. TURNER:  Yes.

15              MR. HARTHORN:  -- mentioned I think is very  
16      significant.  In the 1980 relicensing of this Project one of  
17      the mitigations for the loss of fish habitat in the streams  
18      that had reduced flows from the diversion was that the  
19      flumes and canals were in some regards fish habitat.  
20      However, there was a caveat that to the greatest extent  
21      possible that PG&E would limit the amount of gunite that  
22      they use in the flumes to make the habitat better.  However,  
23      over the last 20 years or so a significant portion of all of  
24      the flumes have been gunited and, in fact, is not the best  
25      substrate for fish habitat.

1                   And what usually ends up in the flumes are young  
2   Rainbow Trout which should be in the creek. And we all know  
3   that Rainbow Trout do eventually become Steelhead, which are  
4   a threatened species. And if those Rainbow Trout were, in  
5   fact, allowed to stay in the stream and were provided  
6   passage at the diversion structures, then in fact the  
7   Steelhead might have a little better chance of recovery.

8                   That was the main issue I had right now. If  
9   somebody else wants to go then.

10                  MR. WILL JOHNSON: Will Johnson, Butte Creek  
11   Watershed. I don't know if it is within the scope of this  
12   Project. Research on the historical run in Butte Creek of  
13   spring-run Chinook Salmon, what their numbers actually are  
14   and what a recovery number would be, so that we're not  
15   managing to over produce in the stream but are managing to  
16   actually have a sustainable, pseudonatural population where  
17   we don't have 30,000 or 20,000 fish coming in, overtaxing  
18   the spawning areas and whatever other food sources or impact  
19   they might have.

20                  What would be a more natural number, 4,000, 5,000  
21   fish, 6,000 fish in a run. Of getting that down on paper,  
22   getting that as part of the survey goal would be a good  
23   idea.

24                  MR. HARTHORN: Me again. The other thing that I  
25   forgot to mention or just came to mind is that in terms of a

1 study such as William is suggesting on the capacity of the  
2 creek, we really need to be looking at more than just the  
3 capacity for spring-run salmon and their holding and  
4 spawning. We also need to be looking at the other life  
5 stages of spring-run salmon.

6 There are a number of salmon that do hold over in  
7 the summertime. The rearing conditions for those fish need  
8 to be identified and clearly delineated, as well as  
9 Steelhead which typically spend more than one year,  
10 sometimes two or three years in the stream before they  
11 migrate out to the ocean. Their rearing habitat is critical  
12 to their survival. And today we focus primarily on Salmon  
13 issues, however Steelhead we like to think of as the  
14 forgotten species. It's the only one we can fish for right  
15 now, so of course it's one of my major concerns.

16 MS. O'BRIEN: More comments on fisheries or other  
17 aquatic species? Or erosion, relating to that? Erosion,  
18 okay.

19 All right. We'll move onto terrestrial. And in  
20 terrestrial you can include any endangered species interest,  
21 even wildlife and plants.

22 MS. TURNER: I guess I'll go first. Kathy  
23 Turner, Forest Service. I'm going to just reiterate one of  
24 the concerns that I mentioned earlier in the PAD, various  
25 wildlife surveys are described to be conducted by PG&E.



1 And, again, it talks a lot about Project-affected reaches.  
2 And, again, the West Branch Feather River is often omitted  
3 from those discussions, so we just want to assure that we'll  
4 have an opportunity to talk with PG&E and discuss about the  
5 extent of those surveys prior to them being conducted.

6 You wanted also to talk about botanical TES  
7 species, so let me skip down here. The Forest Service --  
8 I'm trying to separate the TES species from the other  
9 botanical things. There's a Forest Service Sensitive  
10 Species, the genus is Botrychium. Several species have been  
11 found and quite an extensive population has been found in  
12 the Philbrook Reservoir area. It wasn't known to be there  
13 before. So the Appendix K in the PAD doesn't address it.

14 We can give PG&E additional information of other  
15 known species to help supplement Appendix K in the PAD.  
16 We'd also like to make sure that Forest Service Special  
17 Interest Species as well as Forest Service Sensitive  
18 Species, such as the Botrychium are looked for during the  
19 proposed PG&E floristic surveys.

20 And, again, we can provide a list to PG&E of what  
21 those are, because it appears that they don't have the  
22 complete list of our species.

23 I think that may be all the TES concerns. There  
24 are some additional botanical, but I'll hold off.

25 MS. O'BRIEN: Oh, you can -- we'll do all

1       terrestrial now, so all botanical and wildlife issues.

2               MS. TURNER: Oh, okay. I'll keep going.

3               MS. O'BRIEN: Sorry that wasn't clear.

4               MS. TURNER: That's okay. There are also some  
5       sensitive botanical habitats out there that are called fens,  
6       f-e-n. And that is -- I don't know if you have a definition  
7       for that.

8               MR. ODEGARD: It's basically -- this is Craig  
9       Odegard with the Lassen National Forest. It's a wet meadow  
10      that has soil entirely composed of organic material, there's  
11      no mineral soil.

12              MS. TURNER: So our botanists have located  
13      several of these, some right on the boundary between PG&E  
14      and the National Forest in the Philbrook area, again. So  
15      we'd like to make sure when those surveys are done, that the  
16      fens are included in those surveys and that we can talk more  
17      specifically about how to do it later, but probably using  
18      aerial photos to initially identify them would cut down on  
19      the amount of surveys needed in the field.

20              Both Botrychium and fens are key botanical  
21      concerns on the National Forest that may require specific  
22      PM&E measures later on. So we just want to make sure that  
23      those are located now.

24              And related to that there are some unpermitted  
25      water diversions from the recreational cabins on PG&E lands

1       around Philbrook Reservoir that appear to be draining water  
2       from the springs used by the Botrychium and also from the  
3       fens. And that's something that we didn't comment on  
4       earlier because we didn't -- we just discovered that  
5       recently.

6               So there is a question as to whether or not this  
7       is a Project-related nexus, the recreation cabins out there  
8       on Philbrook Reservoir. And certainly if we deal with the  
9       trespass issue prior to relicensing being concluded, we can  
10      drop it. But in the meantime we would like to proceed  
11      looking at this issue as relicensing issues because the  
12      cabins would not be there if there wasn't Philbrook  
13      Reservoir there inducing the recreation and the use.

14             So some specific needs we have there are: One,  
15      we need to reestablish the land lines to see exactly where  
16      these fens and Botrychium are and also in relationship to  
17      the springs that are illegally being tapped on the National  
18      Forest, to just figure out exactly how big the issue is.  
19      And along with that we would also like to see a lease to  
20      understand better what agreements there are with the cabin  
21      owners and also a list of those folks so that we can contact  
22      them and start trying to work this issue out. So that deals  
23      with that issue.

24             We may be looking at additional Species of  
25      Interest, and if we do we would like to be sure and have

1       those addressed in relicensing.

2                   And then, finally, we want to be involved in  
3       discussions dealing with revegetation of areas disturbed  
4       either through Project uses, such as the dams themselves.  
5       We'd like to see some revegetation on the dam structures,  
6       especially Philbrook and Snag Lake. We understand that DSOD  
7       has some specific requirements, and we'd certainly work  
8       within those guidelines. But also disturbance of  
9       recreational areas that are induced by the Project.

10                   And we'd like to also make sure that the  
11       vegetation utilizes local native plants and those plants  
12       important to the Native American communities, when that's a  
13       viable option.

14                   That's it. Thank you.

15                   MS. O'BRIEN: More comments regarding --

16                   MS. GIGLIO: Debbie Giglio, Fish and Wildlife  
17       Service. We'd be interested in -- I'm not sure if it's  
18       going to be addressed, it's not really specifically  
19       addressed in what's written here, but the effects to raptors  
20       from transmission lines, if any. And there are some  
21       guidelines that can be followed and noted that they be  
22       followed -- or if the transmission lines would be altered to  
23       protect raptors.

24                   MS. O'BRIEN: More comments regarding botanical  
25       or wildlife? Okay.

1                   MS. VECCHIO: Ann-Ariel Vecchio, FERC. Depending  
2 on what surveys show for some of the T&E terrestrial  
3 species, depending on what those surveys show, possible  
4 impacts of the canal system on migration, not just on deer  
5 but also on those additional species. And then impact of  
6 noxious weeds because even on the site visit you could see  
7 substantial -- at least what appeared to be substantial  
8 amounts. So seeing what those impacts are and if there are  
9 revegetation, seeing what can be balanced out and looking at  
10 the studies of what the noxious weed issue is.

11                   MS. O'BRIEN: Okay. Well, we had quite a long  
12 break, so I don't think -- I don't think anybody has a need  
13 -- if you need to take a break, go ahead and do it. Don't  
14 let us stop you, but we'll just keep plowing through.

15                   Recreation's quite a large issue, so let's try to  
16 tackle that now. Recreation issues. Harry.

17                   MR. WILLIAMSON: I have just a few comments. I  
18 thought -- Harry Williamson, National Park Service -- that  
19 there was a pretty good range of studies that were  
20 identified and a fair number, I think a fairly liberal  
21 number where they still identified the need for maybe  
22 additional -- additional information. Recreation on the  
23 Project is fairly limited to water-based activities around  
24 the reservoir and in the forebay.

25                   One thing, and I guess it really was a Lassen

1 Forest decision on closure of the West Branch Campground, is  
2 simply to recognize that that is probably the largest real  
3 and latent demand that's increasing statewide, actually  
4 nationally, but statewide and that there's going to be a lot  
5 of pressure, if nothing else just by virtue of the  
6 population as it increases over the course of the license.  
7 So I guess what I'd say in view of the very limited number  
8 of campsites on the Project, which is 20, 25 maximum without  
9 the West Branch Campground, that that be monitored pretty  
10 closely.

11 The other thing is -- I don't know, Kathy, if  
12 that's actually been closed. It was said to be done in '04,  
13 so --

14 MS. TURNER: The West Branch Campground?

15 MS. GOODWIN: Yeah. It's not completely  
16 decommissioned.

17 MR. WILLIAMSON: Okay.

18 MS. GOODWIN: We still have to remove the  
19 restrooms.

20 MR. WILLIAMSON: That if that is -- if and when  
21 that is done, that there be a provision for monitoring the  
22 disperse use on there and whether or not there is litter and  
23 sanitation problems that develop from that.

24 Another one was on carrying capacity. Most of  
25 the carrying capacity issues revolved around developed

1 facilities which, again from a recreational standpoint, are  
2 fairly limited on the Project. And I thought that perhaps,  
3 or if the one weakness was not looking at more  
4 opportunities, not facilities, but the carrying capacity for  
5 the opportunities for land-based activity, I think you've  
6 got a potential for pedestrian and mountain bike use on the  
7 canals. It's a fairly large Project land-base-wise, and so  
8 there are potential activities, again you live in an area  
9 where there's a lot of recreation, especially from Chico.  
10 This is in really quick striking distance from Chico. So  
11 just to monitor the opportunities that are not presently  
12 available, and whether or not those become opportunities to  
13 provide more terrestrial-based recreation.

14 Finally, whitewater boating. I think most  
15 people, particularly from this area, know that Chico and the  
16 Redding area are real hubs for whitewater boating. People  
17 boat these areas on a fairly opportunistic basis, especially  
18 when they've got run-off.

19 Having been on the Project I can tell you, I  
20 don't think there's a lot of stuff I'd want to get on. And  
21 most of it is in the class 5 plus category. But you do  
22 identify that in a number of reaches there is a need to go  
23 perhaps beyond the descriptions in the guidebook and take  
24 another look at the feasibility of boating. And I would  
25 suggest that maybe that may all be rolled into sort of a

1 feasibility study that covers all river reaches. I think a  
2 vast number of them could be eliminated for practical  
3 purposes, but there's just going to be a lot of interest on  
4 any opportunities for boating. And the extension of that is  
5 to the extent that it can be done, that there is a good job  
6 done of transmitting flow information, realtime flow  
7 information via the internet under any circumstances, but  
8 again there are people that will go up and boat these  
9 reaches on an opportunistic basis.

10 That's most of what I had.

11 MS. O'BRIEN: Thank you, Harry.

12 Kathy.

13 MS. TURNER: Kathy Turner, Forest Service. The  
14 first thing is the Forest Service would like to see a  
15 different way of giving the questionnaires out on the  
16 recreation, the recreational questionnaires. On the 2105  
17 Project, Upper North Fork Feather River, there was a really  
18 poor rate of return on those questionnaires. And we're  
19 hoping maybe there are some innovative ways that PG&E can  
20 use to get a better return to have a better understanding of  
21 what the public would like to see. Maybe in-person  
22 interviews or some sort of incentive, like free camping at  
23 Philbrook, or something to induce return of the  
24 questionnaires.

25 A second issue is the Willows disperse camping



1 area, and that's on the east side of Philbrook where  
2 Philbrook Creek comes into the Project reservoir. And there  
3 is heavy, current heavy dispersed recreational use in that  
4 area. It's causing a lot of problems: Compaction, erosion,  
5 tree mortality. The erosion is going into Philbrook Creek  
6 which then of course goes into Philbrook Reservoir.  
7 Sanitation issues, litter.

8 And we feel that that recreational use is  
9 definitely Project induced. It wouldn't be there if there  
10 wasn't a reservoir there. The campground gets full. And  
11 even when it's not full, people just like to go up there and  
12 use that area.

13 I believe part of that use is on PG&E lands.  
14 Again, we're not sure. But, as we proposed earlier, a land  
15 line survey to determine the trespass locations and the  
16 locations of the fens and the Botrychium. It would also  
17 help this issue of locating just whose land that Willows  
18 disperse camping area is on.

19 The PAD incorrectly identifies that there was a  
20 campground there that the Forest Service closed. We didn't.  
21 We looked into that because we weren't sure ourselves. It  
22 was a different area, not right there at the Willows. But  
23 it was a different area that was closed, and that was back  
24 in the 1970s. And the ES -- we did just close or are in the  
25 process of closing the West Branch Campground, which is down

1 below Philbrook Reservoir, a number of miles on the creek.

2 What we found is that people really aren't  
3 interested in a creek type of camping. That the usage there  
4 I think is 20 percent.

5 MS. GOODWIN: Less than ten.

6 MS. TURNER: Less than ten percent occupancy.  
7 And it just wasn't worth the cost of getting out there to  
8 take care of it. What people want is a lake recreational  
9 experience, and that's why we're seeing the use up at  
10 Willows. And also the parking area, the day-use parking  
11 area, as PG&E's surveys have shown, has been over capacity.  
12 And they're putting in additional parking spaces.

13 So I think we need to really look at the PG&E  
14 data, evaluate what the public wants, and then manage  
15 accordingly.

16 In looking at fire occurrence records, we're not  
17 seeing a huge trend of increases. But with the increasing  
18 state population, increasing use in the area, especially  
19 like in Philbrook, and also when they're going to -- the  
20 State is undergoing a process of paving the Skyway Road,  
21 which will bring people within several miles of Philbrook  
22 Reservoir on a paved road. And so we think that's really  
23 going to increase use in that area, so we suspect that will  
24 lead towards increased fire starts in the area.

25 PG&E has a plan to deal with some of that, and we

1       applaud their efforts. There are just two questions we  
2       have, where we're not sure what PG&E has proposed will be  
3       adequate, and that's again in the Willows disperse camping  
4       area. Since it is unmanaged, there are a lot of campfire  
5       rings there now. There is a large potential there of fire  
6       starts.

7               And also from the leased cabins on the PG&E land  
8       around Philbrook, we've noticed heavy down and dead fuel  
9       loadings around them. And this is probably something that  
10      needs to involve CDF, the California Department of Forestry,  
11      as they have jurisdiction over private lands. But we'd like  
12      to see some sort of assessment of those to see if those  
13      cabins or the area around those cabins meets the State  
14      standards for clearance and fuel loadings.

15             And then another recreational concern is the  
16      expanding OHV use, especially as it relates to resource  
17      damage. And the Project is inducing people to come to those  
18      areas. Like I mentioned earlier, Snag Lake has got OHV use  
19      down in the bottom of it after it's drained for the year.  
20      They're also coming in the Philbrook area.

21             The PAD indicates a number of recreational  
22      studies will only be conducted if recreation demand  
23      warrants. We want to make sure that everyone is comfortable  
24      with that. We're not sure who's making that decision on,  
25      you know, whether or not recreational demand warrants that

1 study right now. We'd like to be involved in that and help  
2 determine what information is needed and what will trigger  
3 that study down the road.

4 And to reiterate, we'd like to see a land line  
5 survey and a list of cabin owners' names and addresses to  
6 deal with some of those issues that we talked about.

7 Thank you.

8 MS. O'BRIEN: Thank you.

9 More comments regarding recreation?

10 MR. HARTHORN: Allen Harthorn, Friends of Butte  
11 Creek. Although I think the issues of recreational access  
12 for whitewater boating and recreational fishing are pretty  
13 clearly identified so far, there is one issue related to the  
14 importing of the West Branch water, which ultimately affects  
15 the creek from below the Centerville Powerhouse down to the  
16 Parrot-Phelan Diversion Dam. In the summertime that  
17 comprises up to 50 percent of the entire flow of the creek  
18 and helps to induce not exactly a whitewater boating  
19 situation but tubing, as we call it around here. Kind of a  
20 famous sport from the Chico area.

21 About five years ago they banned alcohol on the  
22 Sacramento River, so Butte Creek now has become not only the  
23 tubing capital but also the drinking tubing capital of flash  
24 tubing, whatever. And for those people that live along the  
25 creek this has been a huge problem. It's literally out of

1 control. The access points are not well defined. People  
2 are crossing private property on a regular basis. The  
3 attitude of some of the people is rather obnoxious. And  
4 people in the canyon have been pulling their hair out for a  
5 number of years trying to deal with this issue.

6 Nobody seems to want to take any responsibility  
7 for what's going on there. And I think that there should be  
8 some recreational survey done of this part of the Project  
9 area and see if we can't get together and get a handle on  
10 how to deal with this problem and help out some of the local  
11 residents and perhaps provide some education on proper  
12 tubing etiquette. So I'm not sure that we can outright ban  
13 alcohol. We've already banned glass containers with some  
14 success, but there -- we need a lot more help on that  
15 particular issue.

16 MS. O'BRIEN: I have one question. Who was  
17 responsible for banning the drinking on the Sacramento  
18 River? What -- who has that authority?

19 MR. HARTHORN: I believe that was the State.

20 MS. O'BRIEN: The State?

21 MR. HARTHORN: The Department of Boating and  
22 Waterways, or something like that. It's actually -- well, I  
23 don't know for sure. But it's -- tubing on the Sacramento  
24 River is also a big thing, but now everybody goes to "beer  
25 can beach," or whatever they call it to do their drinking.

1       So -- but Butte Creek, it's just wide open and it's a huge  
2       problem.

3                   MR. WILL JOHNSON: Will Johnson, Butte Creek  
4       Watershed. The Sacramento River, I believe, yeah, did come  
5       under the Safe Boating Rules. It's the same as drinking and  
6       driving a car, drinking and driving a boat or other  
7       floatation devices, not good. And it was based on the high  
8       cost for emergency response to the area during the couple  
9       annual events.

10                   Recreational use on Butte Creek does have its  
11       problems. As Allen noted, people trespassing. Some of the  
12       areas that this occurs the most in are the lower structures  
13       below the Centerville Powerhouse. But the problem of  
14       trespass does occur in other areas.

15                   I would propose that the possibility of making  
16       access to the stream in certain areas be a fee-for-use.  
17       That would also help facilitate or fund potential  
18       improvements to the area for habitat restoration or for  
19       upkeep of those facilities, removing trash and garbage. But  
20       recreational use is a problem.

21                   Hiking along the flumes and the canals is very  
22       popular, quite a scenic venue for a lot of people. It's one  
23       of the better ways to get good views of the canyon in the  
24       middle stretch, but it also does come with issues of  
25       trespass, littering, loitering and camping, and associated

1 vandalism and crimes such as theft and burglary and whatnot  
2 that occur to the property owners along the canyon.

3 It probably isn't and I'll state that it's not  
4 PG&E's responsibility for those various people that go in  
5 and do that sort of activity, but there might be a way to  
6 address it so that it precludes them or at least somewhat  
7 inhibits them from that sort of activity.

8 MS. O'BRIEN: More recreation comments?

9 Okay. Move onto land use.

10 MR. WILL JOHNSON: I have a very active board.  
11 PG&E has some lands and I believe they have been in  
12 discussion with the Bureau of Land Management. This is  
13 around the Forks of Butte area. A comment was made that  
14 some of those lands should not be turned over into the  
15 public domain because of allowing inappropriate use of the  
16 areas. That would be dispersed camping and the crowd of  
17 people that that draws as far as allowing large groups of  
18 partiers to show up on the big holiday weekends through the  
19 summer, increasing the potential for wildland fire threat  
20 and also criminal activity.

21 MS. O'BRIEN: More land use comments?

22 MS. TURNER: I covered mine with recreation.

23 MS. O'BRIEN: Okay. Jim.

24 MR. CANADAY: It would be good for PG&E to  
25 clarify on some of their lands, of how the lands in this

1 Project are going to be part of that Stewardship Council.

2 Do you know how that's going to work, David?

3 MR. MOLLER: I'm a backward guy here. The -- the  
4 lands that are --

5 THE REPORTER: I'm sorry. Could you get a mic?

6 MR. MOLLER: Oh, no, this is off the record.

7 THE REPORTER: Thank you.

8 MR. MOLLER: What Jim's referring to there is the  
9 land Stewardship Council that was part of a stipulation in a  
10 settlement settling PG&E's bankruptcy earlier this year.  
11 And that set up a so-called Land Stewardship Council made up  
12 of a whole bunch of representatives representing most of the  
13 agencies represented here, tribal interests, NGO interests.  
14 PG&E also has a seat on that.

15 And it's basically to look at all PG&E  
16 hydro-related lands in terms of potential uses of those  
17 lands, restrictions, uses of those lands and so on. All the  
18 hydro lands are included in that whether they're within a  
19 FERC project boundary or not.

20 So the answer is that those lands would be looked  
21 at by the Land Stewardship Council, but any lands that are  
22 within a FERC project boundary, the Council can't make any  
23 recommendations with regard to land use that would be in  
24 conflict with the FERC license or their use for operation  
25 and maintenance of the project.



1                   So there is some overlap there, and that's  
2                   probably a good thing to address in the context of the  
3                   proceeding. Thanks, Jim.

4                   MS. LODUCA: May I ask -- one other clarification  
5                   is that with --

6                   MS. O'BRIEN: Can you say your name?

7                   MS. LODUCA: Janet Loduca with PG&E.

8                   MS. O'BRIEN: Thank you.

9                   MS. LODUCA: With regard to lands within the FERC  
10                  project boundaries, the settlement and the stipulation  
11                  specifically state that they will not be subject to  
12                  donation. Essentially what the Stewardship Council and the  
13                  Land Commitment sets up is that PG&E will either donate in  
14                  fee or place a conservation easement on all of its hydro  
15                  lands.

16                  For lands inside the FERC project boundary, it's  
17                  subject to potentially a conservation easement but not a  
18                  donation. And the terms of the conservation easement need  
19                  to be consistent with PG&E's ability to continue to operate  
20                  and maintain all of its hydro projects.

21                  Does that answer the question?

22                  MR. CANADAY: Well, I already knew what the  
23                  answer was. I think the public at large here who might not  
24                  have known that have an interest in the land use needs to  
25                  understand the nexus between the PG&E bankruptcy and the

1 potential dedication of lands that may be boundary lands,  
2 that I'm not familiar with the piece that you're talking  
3 about. But we need to understand that there is a forum  
4 that's looking to decide land use decisions on those PG&E  
5 lands. I thought it should be in the record. That's all.

6 MS. LODUCA: Um-hum, yeah. That's right.

7 MR. MINTZ: This is John Mintz. If I understand  
8 those lands, along Butte Creek there, just FYI, they're not  
9 in the FERC boundary.

10 MS. O'BRIEN: Could you say that again? I  
11 couldn't hear you.

12 MR. MINTZ: The lands that BLM has talked about,  
13 they're not in the FERC boundary. They're along the bypass  
14 reach up Butte Creek.

15 MS. O'BRIEN: Thank you.

16 MR. [SPEAKER]: Where in the bypass reach are you  
17 talking about?

18 MR. MINTZ: Below the tributary. Above the  
19 DeSabra Powerhouse.

20 MS. O'BRIEN: Okay. More land use comments?

21 Okay. Aesthetic resources, any comments on that?  
22 Kathy.

23 MS. TURNER: Kathy Turner with the Forest  
24 Service. Two quick things. One is the spillway downcuts,  
25 which we mentioned previously, related to erosion, are also

1 a visual eyesore. So just another reason to look at those.

2 And the second one is there was a discussion in  
3 the PAD about the possibility of scenic overlooks on  
4 National Forest. And what we would ask is that the  
5 appropriate location be looked at for those, where there's  
6 actually a viewpoint. I'm not sure that's on National  
7 Forest because we seem to have some of the -- don't have a  
8 lot of vista spots, but that when we look at that particular  
9 topic, that we look at an appropriate location that meets a  
10 lookout or overlook type of criteria.

11 Thank you.

12 MS. O'BRIEN: Any additional aesthetic comments?

13 Okay. Socioeconomic resources.

14 MS. TURNER: Just one brief one and this is more  
15 just posed to the group. It doesn't really apply to the  
16 National Forest. But we see changes in fishing in regard to  
17 anadromous fisheries, or the Steelhead issue could affect  
18 local economies through local tourism. So something just to  
19 keep in mind on the Project.

20 The type of fishery that's created also has an  
21 effect. For example, on National Forest we've seen that  
22 changing to a catch-and-release program, discouraging some  
23 classes of anglers and encouraging other classes of anglers.  
24 So just something to think about.

25 MS. O'BRIEN: Thank you.

1                   Okay. And we'll group cultural and tribal  
2 together. There was one representative from the Mechoopda  
3 Tribe, and --

4                   MS. TURNER: She was here.

5                   MS. [SPEAKER]: She left.

6                   MS. O'BRIEN: Okay. Maybe she'll come back  
7 tonight.

8                   MS. TURNER: Kathy Turner with the Forest  
9 Service. The first issue is that the PAD referenced one of  
10 the maps with an area of potential effect, but we could not  
11 see that on the map. So we have not yet seen a map of the  
12 area of potential effect and would really be interested in  
13 seeing one of those before we give further comments.

14                   The other thing is that for sites on National  
15 Forest or affecting National Forest, for assessment of  
16 eligibility and for all stages of cultural resources -- or  
17 cultural surveys on National Forest, we want to be sure and  
18 be involved.

19                   In the PAD it talks about the appropriate agency  
20 in relation to parties to be consulted. It never really  
21 references the Forest Service. We want either the  
22 appropriate agency definition, because there is no  
23 definition for appropriate agency in the PAD, we'd like it  
24 either to include us or for the specific discussions to show  
25 the Forest Service listed where applicable.

1                   That's it. Thank you.

2                   MS. O'BRIEN: Any additional comments for  
3 cultural and tribal resources?

4                   Okay. Well, we've hit all the topics we have  
5 listed. I have one general comment and then we'll open it  
6 up if anyone else has general comments.

7                   And Kathy Turner from the Service has hit on  
8 this, and maybe that'll explain it a little bit. She talked  
9 about land line surveys for Forest Service versus PG&E  
10 lands. And the PAD does not clearly define the number of  
11 acres of Forest Service and BLM lands in the project area.  
12 It just mentions that they exist. So we really do need  
13 exact figures and exact locations of these lands.

14                   And I guess from your comments, Kathy, it's clear  
15 that we don't know in some places the exact line. We --

16                   MS. TURNER: We're not sure. PG&E may know. I  
17 think there are old land lines there. I don't think it's a  
18 matter of putting in a new land line. I think it's  
19 relocating an existing line.

20                   MS. O'BRIEN: Okay.

21                   MS. TURNER: So I don't think it's a lot of work.

22                   MS. O'BRIEN: Okay, great. And if we could -- if  
23 the whole group could understand exactly where the Forest  
24 Service lands and BLM lands are, and how many acres that  
25 we're talking about.

1                   And having the number of total Project acres to  
2                   compare with that. If -- PG&E, if you understand what I  
3                   mean. The total number of Project acres and how many of  
4                   that is Forest Service helps out.

5                   Does anyone have any other general comments?  
6                   Yes.

7                   MR. WILL JOHNSON: A general comment on the  
8                   bypass reach. It may not actually be part of the FERC area  
9                   or, you know, the Project, but it is part of the Watershed.  
10                  And it should be somehow addressed or at least looked at as  
11                  to the effect that it has -- or the effects that the project  
12                  has on that section of the stream.

13                  MS. O'BRIEN: Allen.

14                  MR. HARTHORN: I just noticed on the  
15                  socioeconomic resources that it says, "Potential need for  
16                  future modification and upgrade of Centerville Powerhouse."  
17                  I didn't see anything regarding that in the PAD. Maybe I  
18                  missed that part, but I'm curious if there is any discussion  
19                  of upgrading that powerhouse or modifying it in any way.

20                  MR. TODD JOHNSON: Can I go ahead and address  
21                  that? Great.

22                  We'll have to get you an assessment of those  
23                  facilities, given the age --

24                  MS. O'BRIEN: Can you speak up?

25                  MR. TODD JOHNSON: We'll have to go through and

1 do an assessment of those facilities, given the age of those  
2 -- given the age of the units. So we don't know at this  
3 time whether or not there will be any proposed improvements.  
4 It's something we'll have to go through and study.

5 MS. O'BRIEN: More general comments?

6 Well, that's great. I don't have anything to  
7 add, just this is the first type of scoping meeting we've  
8 had like this.

9 Let me explain the rest of the agenda for those  
10 that plan to attend or that don't plan to attend so you know  
11 what we're going to be doing.

12 Tonight we're going to start with an open house  
13 type atmosphere. We're going to set up stations with  
14 flipcharts. And people can come in and list their issues.  
15 Assume it will be people that weren't here today, that  
16 didn't have a chance to comment, will come and list their  
17 issues. We'll put them down on the flipcharts. And then  
18 we'll open up the meeting and do the same presentations that  
19 we did to start this meeting.

20 Then we plan to give a summary of everything that  
21 was discussed here and run through what was put up on the  
22 flipcharts. If people have asked to present information  
23 orally, we'll do that as well. And if not, we'll just run  
24 through these resources, just like we did today, and ask if  
25 there are more comments on each issue.

1                   Then tomorrow morning, it's more of a procedural  
2                   type day. What we'll leave time, and we can wrap up if  
3                   there's any need for discussion. We know we were cramming a  
4                   lot of information into this short amount of time, so we  
5                   weren't sure if we needed more time to wrap up discussion of  
6                   issues.

7                   And then Jim Canaday from the State Water  
8                   Resource Control Board has graciously volunteered to give a  
9                   presentation regarding the roles and functions of the State  
10                  versus the Regional Water Boards as well as the water  
11                  quality certification process.

12                  And then we'd like to go through step by step in  
13                  the process plan, discuss integration of the other agencies'  
14                  needs in that process plan, cooperating agency status, and  
15                  specific dates for future meetings.

16                  So does anybody have any comments on our format?  
17                  Any suggestions? We'd love to hear them. If you don't feel  
18                  like saying them now you can also come to us after the  
19                  meeting, too.

20                  Yeah, if you don't want them on the record.

21                  (Laughter.)

22                  MS. O'BRIEN: Okay. Yes, Jim.

23                  MR. CANADAY: This is Jim Canaday, State Water  
24                  Resource Control Board. I'd like to comment -- compliment  
25                  PG&E for their effort in the PAD. While our comments may



1       talk about additional things we'd like to see, and I think  
2       the commitment by the company, David said there was a  
3       commitment, I believe that's an honest statement, and we  
4       really appreciate that.

5               MR. MOLLER: Well, you know just a little bit of  
6       a response. It's clear from the comments -- I'll start  
7       over. Thank you, Jim. This, for the record, it's David  
8       Moller.

9               We did put quite a bit of effort into this  
10      because we see the ILP as a really good tool if used to its  
11      potential. And those who are the grizzled veterans,  
12      including Jim, from other relicensing know the pitfalls that  
13      relicensing can get into. And many of the things that we're  
14      all used in other proceedings are sort of built into the  
15      structure -- we sort of had to think them up in other  
16      proceedings -- are built into the structure of the ILP.

17              And one of our concerns was we wanted to make  
18      sure this group took a look at the PAD in advance of the  
19      scoping and didn't come in with the blank sheet of paper.  
20      And from the comments, clearly many of you have looked  
21      pretty closely at the PAD. And the comments clearly are  
22      filling in the bits and pieces that we might not have gotten  
23      right or missed or, you know, there are some additional  
24      things.

25              So thank you very much for doing your part to

1 help make the ILP work.

2 MS. O'BRIEN: Great. Well, I certainly want to  
3 thank everyone for coming today. We are very impressed by  
4 the turnout. It's wonderful everyone can make it.

5 I guess we'll close --

6 MR. MOLLER: One other thing. When we had one of  
7 the outreach meetings and scheduled these scoping meetings,  
8 remember we all looked in our calendars to pick some dates  
9 that work for everyone, part of the idea of having a daytime  
10 and an evening meeting in the same date was so that people  
11 who were not employed by an agency or somebody that was  
12 paying them to be here and had another job, could come in  
13 the evening but not feel excluded.

14 And what we talked about was maybe the agency  
15 folks coming back in the evening so that the evening wasn't  
16 just local people. Can we get sort of a sense of how many  
17 people are going to come back tonight and how many people  
18 are going to come back tomorrow? Because tomorrow's not a  
19 repeat of this. Tomorrow is kind of a planning session  
20 going forward. So I think it would be a good idea just to  
21 kind of get a feel.

22 MS. O'BRIEN: That's a great idea. And I can  
23 also add to that our real meeting part wouldn't start till  
24 7:00, so some of you that just want to come for the meeting  
25 part and not that open house wouldn't be needed till 7:00.

1 Give you more time at the brewery.

2 (Laughter.)

3 MR. CANADAY: You got a tab running there?

4 MS. O'BRIEN: Not FERC.

5 MS. [SPEAKER]: Did you say "tab" or "tap"?

6 MR. CANADAY: Either one.

7 MS. O'BRIEN: So can we have raise of hand of the  
8 folks who plan on coming back tonight?

9 (The majority in attendance raise their hands.)

10 MS. O'BRIEN: Wonderful. And how about tomorrow?

11 (The majority in attendance raise their hands.)

12 MS. O'BRIEN: Great also. And if you can't come  
13 and you want to give us your input for the meeting, please  
14 just see me before you leave and I can make sure we add it.

15 Okay. Thanks again, everyone, for coming.

16 (The hearing was adjourned at 3:49 o'clock p.m.)

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CERTIFICATE OF OFFICIAL REPORTER

This is to certify that the attached proceedings before  
the FEDERAL ENERGY REGULATORY COMMISSION in the Matter of:

Name of Proceeding: SCOPING MEETING for the  
DeSABLA-CENTERVILLE HYDROELECTRIC PROJECT

Project No.: 803-068

Place: CHICO, CALIFORNIA

Date: WEDNESDAY, NOVEMBER 17, 2004

Time: 1:00 o'clock p.m.

were held as herein appears, and that this is the original  
transcript thereof for the file of the Federal Energy  
Regulatory Commission, and is a full correct transcription  
of the proceedings.

Susan Palmer, CERT 00124

Official Reporter